Comprehensive Annual Financial Report

City of Winfield, Kansas

for Fiscal Year Ending
December 31, 2012

CITY OF WINFIELD, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

CITY COMMISSION AND MAYOR
Mayor G. Thomas McNeish
Commissioner Gregory N. Thompson
Commissioner Taggart L. Wall

CITY MANAGER
Warren Porter

CITY CLERK/DIRECTOR OF FINANCE
Brenda Peters

CITY TREASURER
Daniela Rivas

CITY OF WINFIELD, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

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Introductory Section

August 23, 2013

To the Citizens of the City of Winfield, Kansas
Honorable Mayor and City Commissioners

This document is the Comprehensive Annual Financial Report (CAFR) of the City of Winfield, Kansas for the year ended December 31, 2012. This report was prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the management of the City. We believe the report, as presented, is accurate in all material respects. We also believe it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. Finally, we believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes a description of the City, including services provided, and explanation of the City's accounting system and budgetary controls, and a brief discussion of the City's economic condition and outlook. The City's organizational chart is also included to assist the reader in understanding the structure of the City. The financial section includes the Independent Auditor's Report, Management's Discussion & Analysis, Government-Wide Financial Statements, Fund Financial Statements, Notes to the Financial Statements, and Individual and Combining Statements and Schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

The reader is specifically directed to Management's Discussion and Analysis (MD&A) which immediately follows the Independent Auditor's Report. MD&A provides a narrative explanation and overview of significant features and trends reflected by data in the financial statements.

Management of the City is responsible for establishing and maintaining an internal control structure to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The cost of the internal controls should not outweigh their benefits. Thus, the City of Winfield's internal controls are designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

Kansas statute 75-1122 requires an annual audit of all funds of the City by independent certified public accountants. The firm of Edw. B. Stephenson & Co., CPAs Chartered issued an unqualified opinion on the City of Winfield's financial statements for the year ended December 31, 2012. The Independent Auditor's Report is located on page A-1 in the Financial Section of this report.

Profile of the Government

The City of Winfield, incorporated in 1873, has a population of 12,365 has an incorporated area of 12.35 square miles. Winfield is located in south central Kansas, less than an hour away from Wichita, and two hours from Tulsa and Oklahoma City. Winfield serves as the county seat for Cowley County, population approximately 36,000.

The City is unique in providing a full range of municipal utility services to its citizens, including electric and gas utilities, water, wastewater, and sanitation services. Other municipal services include police and fire protection, construction and maintenance of streets, drainage facilities and other infrastructure, recreation and cultural activities, a municipal golf course, community and industrial development, planning and zoning, building inspection, cemetery operations and maintenance, general administration, and internal support services. The City provides a pick-up recycling program to its citizens, along with composting site facilities, available at no charge to area residents. In addition, library services, emergency medical services, and low-income housing are provided by component units of the City. Additional information on the component units can be found in Note 1.A. in the Notes to the Financial Statements.

The City of Winfield operates under a Commission/Manager form of government. One member of the three-member commission is elected annually by the Commission to act as Mayor. The City Manager is appointed by the City Commission and is responsible to them for the management of all City employees and administration of all City affairs. Regular City elections are held in odd years. The person receiving the largest number of votes is elected to a four-year term and the person receiving the second largest number of votes is elected to a two-year term.

Expenditures are authorized by a budget approved by the City Commission as required by State statute. The State statute level of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) is established at an individual fund level, but is monitored by department within each fund. The finance department continually reviews and approves all significant deviations from budget authorizations. The Kansas cash basis and budget laws requires cash be on hand before an expenditure is authorized, that all expenditures be budgeted (unless specifically exempted by statute), and that the budget not exceed anticipated revenues, including carry forward balances. Budget-to-actual comparisons are provided in this report for each individual fund in which an adopted annual operating budget is required by Kansas statute.

Economic Condition and Outlook

The intersection of U.S. Highway 160 and U.S. 77 is located in the center of Winfield. The cities of Arkansas City and Winfield jointly own Strother Field Airport and Industrial Park, located less than seven miles from Winfield.

Many of the county area's employers have work forces consisting of residents of both the City of Winfield and the city of Arkansas City, located twelve miles to the south of Winfield. Manufacturing and services are the largest sectors of employment in Cowley County.

Rubbermaid finished an expansion of its Winfield facilities in late 2012, relocating work that had been done in a Greenville, Texas facility. Rubbermaid currently employees 750+ people and is still adding to their workforce. Capacity at the facility will be increased to add manufacturing of Rubbermaid outdoor refuse and home organization products.

Gottlob Industrial Park was established in early 2012, a 100 acre area adjacent to the existing Winfield and Utt Industrial Parks. Forty acres were purchased by Insite, LLC, to construct a 500,000 square feet distribution center, to be leased to Rubbermaid. The project was completed in late 2012. The remaining 60 acres of the park are owned by the city, and is available for future industrial development.

Southwestern College, a private liberal arts four year institution established in 1885, has an estimated enrollment of over 1,500 students. Southwestern has made major infrastructure improvements to its facilities since 2010, including a $4.8 million renovation of the Richard L. Jantz football stadium and the Richardson Performing Arts Auditorium.

The Prairieland Partners John Deere dealership major expansion project was completed in 2012. This Winfield facility included a 23,000 foot expansion and an estimated $1.7 million cost.

2012 sales tax receipts decreased 1.0% over the 2011 sales tax collections. Real estate property assessed valuation increased 1.65% from 2011 to 2012, reflecting steady property values. The City issued seven single-family home permits, and a total of $14.0 million of building permits in 2012. This is

comparable to the 2011 statistics of six single-family permits and $13.2 million of building permits. Winfield was not shielded from the struggling national economy in late 2008 and through 2009. Mid 2009 unemployment peaked at 8.2%, compared to the January 2008 rate of 4.0%.The 2010 and 2011 years have showed turnaround. At the end of 2012, Cowley County unemployment was at 5.6%, and remained at 5.9% at the end of April 2013 indicating a stagnant employment environment.

City Business and Financial Planning

The City annually revises the current year's budget during preparation of the upcoming year budget, to provide internal management with better oversight. Additionally, the City maintains a five year projected budget for its Capital Improvement Fund, for internal purposes.

The City manages its finances with a long term perspective. Reacting to the ongoing cutbacks in state funding, the City increased fees for many of its fee-based services. The City has resisted tax increases in the past several years to cover ongoing services, instead looking at long term efficiencies and alternatives. The City had been able to sustain a level mill levy in dollars for a decade, though actual levies fluctuated slightly with changes in assessed valuation. The City monitors its utility funds' cash balances and future capital needs. Rate increases, when necessary, are designed to cover long term needs of the utility.

The City had numerous large capital projects in the past fifteen years, that have provided long term 'quality of life' enhancements, and to maintain necessary city infrastructure. Years 2009 -2012 are viewed as stabilization years. The city-wide debt load has dropped from approximately $29.5 million at the end of 2006 to $23.5 million at the end of 2012 which includes refinancing 2002 & 2003 GO bonds and issuing temporary notes for two new projects. In 2013, we plan to refinance existing debt. We continue to evaluate our financial goals on the notion of an improving economy.

The City's insurance and self-insurance programs have been funded and administered as part of the City's Risk management. Funds were maintained in a reserve funds as authorized in Kansas Statutes. Additionally, the City maintains insurance policies and bonds as detailed in the Additional Information Section of this report. The City transitioned to full workers' compensation coverage in late 2011, through the Kansas Eastern Region Insurance Trust group (KERIT) but continues to fund the Risk Management reserve to fulfill liabilities prior to transitioning to KERIT.

Cash Management Policies and Practices

The City maintains its cash and investments under a pooled concept. This mechanism enhances the City's investment possibilities. The City requests competitive bids on all investments in accordance with K.S.A. 12-1675. Idle funds are used to purchase certificates of deposit or other allowable investments, with maturities scheduled to meet anticipated cash flow requirements. During 2012, an average of $10.2 million was invested for an average of 249 days, at an average rate of 0.43%.

Major Initiatives

- The City's water utility completed repairs to its water tower in 2012. Temporary notes were issued to cover those expenses.

- Construction of the Gottlob Business Park, an industrial and economic development project of approximately 100 acres was completed in 2012. The new park is adjacent to the existing Winfield Industrial Park. A development agreement was made with Insite Winfield LLC for the City to provide road improvements, and, electric, water, sewer, and gas utility improvements to a 40 acre area, owned by Insite Winfield LLC. In conjunction with this project, the City purchased 60 acres of land, adjoining the Insite land. This land is to be held for future industrial and economic development.

- The City completed a street maintenance resurfacing of a Main Street from the Walnut River Bridge to 14th Avenue totaling 10 blocks. The project included grinding off the existing asphalt, laying new asphaltic concrete and pavement markings.

- The City continued its sidewalk and other infrastructure improvements, related to ADA compliance

Certificate of Achievement and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Winfield for its Comprehensive Annual Financial Report for the year ended December 31, 2011. This was the twelfth consecutive year that the City has received this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the assistance of numerous persons both in and out of local government. The firm of Edw. B. Stephenson & Co, CPAs Chartered provided independent audit services. Specific appreciation is expressed to the dedicated staff of the City accounting department. We would also like to thank members of the other City departments who assisted and contributed to this report. Finally, preparation of this report would not be possible without the support of the City Commission. We express special appreciation to them for their leadership in planning and conducting the financial operations of the City in a professional, responsible and progressive manner in the best interests of the residents of Winfield.

Respectfully submitted,

Warren Porter	Brenda Peters	Daniela Rivas
City Manager	City Clerk	City Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Winfield Kansas

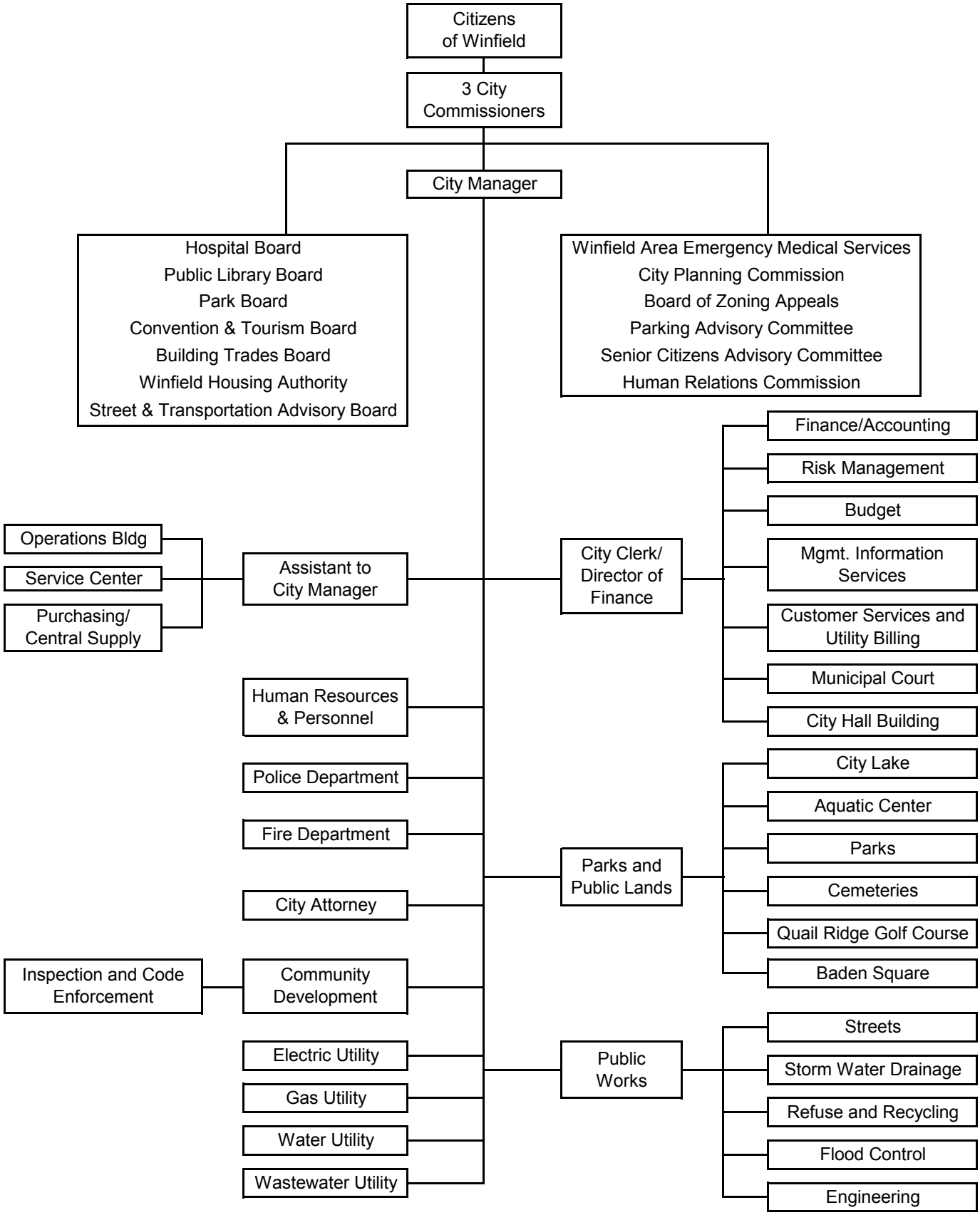
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

CITY OF WINFIELD, KANSAS
ORGANIZATIONAL CHART



CITY OF WINFIELD, KANSAS

LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2012

Mayor	G. Thomas McNeish
City Commissioner	Gregory N. Thompson
City Commissioner	Taggart L. Wall
City Manager	Warren Porter
City Attorney	William Muret
Assistant to the City Manager	Gary Mangus
City Clerk/Director of Finance	Brenda Peters
City Treasurer	Daniela Rivas
Fire Chief	Alan Stoll
Police Chief	Danny Parker
Director of Public Works/Engineering	Russell A. Tomevi
Director of Community Development	Patrick Steward
Municipal Judge	Thomas D. Herlocker
Director of Electric and Water Utilities	James Ging
Interim Director of Gas and Wastewater Utilities	Warren Porter
Director of Parks and Public Lands	Mark Olney

Financial Section

EDW. B STEPHENSON & CO., CPAs CHARTERED

EDW. B. STEPHENSON (1905-1985)
JAMES R. DOBBS (1927-1997)
HARRY L. SHETLAR, JR. (1931-2000)
MORRIS W. JARVIS (1935-1999)
N. DEAN BRADBURY (1936-2005)
LOREN L. PONTIOUS (Retired)

SHAREHOLDERS
MAURICE P. ROBERTS, CPA
AARON R. IVERSON, CPA
MICHAEL B. NORTON, CPA

ACCOUNTANTS
MELISSA J. SCHOOLEY
SARAH M. KINDT
HEIDI M. HEUNERGARDT, CPA

1002 Main Street
Winfield, Kansas 67156
620-221-9320
FAX 620-221-9325

INDEPENDENT AUDITORS' REPORT

To the City Manager, and City Council
City of Winfield
Winfield, Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Winfield, Kansas, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Winfield, Kansas, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows

thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the Table of Contents be presented to supplement the basic financial Statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Winfield, Kansas basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section as listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Winfield, Kansas
August 23, 2013

Management's Discussion and Analysis

The following discussion and analysis of the City of Winfield's financial performance provides an overview of the City financial activities for the fiscal year ended December 31, 2012. The management discussion and analysis is presented in conjunction with the transmittal letter at the front of this report and the City of Winfield's financial statements, which follow this section.

Financial Highlights for 2012

- The City's total net position increased during the fiscal year ended 2012, approximately $1.2 million, or 1.7 percent.
- The cost of governmental activity in 2012 was $10.5 million, a 3% increase to 2011. The amount of that paid by taxpayers through either property taxes or sales taxes was $5.7 million, or 53 percent.
- Non-current liabilities in the governmental activities increase by $2.66 million from 2011 to 2012.
- Non-current liabilities in the business type activities decreased by $305 thousand from 2011 to 2012.
- General Obligation Temporary Note debt of $3.96 million was issued in 2012. $1.83 million of General Obligation bonds were refunded resulting in a net economic gain of $96 thousand.
- The general fund, on a current financial resource basis, reported $47 thousand of revenues and other financing sources in excess of expenditures and other financing uses.
- On December 31, 2012, the General Fund reported a budgetary fund balance of $237,174, amounting to 0.27 percent of the following year's appropriated budget.

Overview of the Financial Statements

The Comprehensive Annual Financial Report consists of three sections: Introductory, financial, and statistical. The financial statements include government-wide financial statements, fund financial statements and notes to the financial statements. Supplementary information, provided in addition to the basic financial statements, is located in the sections titled Supplemental information and Statistical Section.

The City presents two kinds of statements, each providing a different snapshot of the City's finances. The reporting focus is on both the City as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The fund financial statements focus on the individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. Both perspectives allow the user to address relevant questions, broaden the basis of comparison and enhance the City's accountability.

Government-wide Financial Statements

The government-wide statements are prepared using accounting methods similar to those used by private-sector businesses. The S*tatement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The S*tatement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position (current year's revenues and expenses) are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The Statement of Net Position and the Statement of Activities are divided into three types of activities:

- Governmental activities – are principally supported by taxes and intergovernmental revenues. Most of the City's basic services are reported in governmental activities: police, fire, public works, streets, and stormwater drainage, cemetery, parks and recreation, health, and general administration.
- Business-type activities – are functions that are intended to recover all or a portion of their costs through user fees and charges. They include these City activities: electric production and distribution, gas distribution, water purification and distribution, refuse collection, wastewater collection and treatment, and the municipal golf course.

- Component units – The Winfield Public Library, Winfield Area Emergency Medical Services, and the Winfield Public Housing Authority are presented as components units of the City of Winfield. Complete financial statements of those individual component units can be obtained from their respective administrative addresses:

Winfield Area EMS 1300 East 5th Winfield, KS 67156	Winfield Public Library 605 College Winfield, KS 67156	Winfield Housing Authority 1417 Pine Terrace Winfield, KS 67156

The government-wide financial statements can be found on pages A-13 through A-15 of this report.

Fund Financial Statements

A fund is a fiscal entity with a set of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Winfield, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more information about the City's most significant funds – not the City as a whole. All of the funds of the City of Winfield can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental fund* financial statements are prepared on the modified accrual basis. Under the modified accrual basis, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and other similar items which are recorded when due. The focus, therefore, is on the short-term financial picture of the operations reported, rather than the city as a whole. Most of the city's basic operations are reported in the governmental fund financial statements. The information in the government-wide statements can be compared to the governmental activities information in the government-wide statements. The reconciliation at the end of the fund financial statements details the relationship between the two types of financial statements.

  The City of Winfield maintained 25 individual governmental funds in 2012. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Improvements Fund, and the Debt Service Fund, all considered to be major funds. Information from the other 22 governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements beginning on page B-1.

  The City of Winfield adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund on page A-21 to demonstrate compliance with the appropriated budget.

  Proprietary funds fall into two categories: enterprise funds and internal service funds. All proprietary funds are prepared on the accrual basis of accounting. Enterprise funds are used to account for business-type activities. Enterprise fund statements present the same information that is in the government-wide statements for business activities, only in greater detail. The city's electric, gas, water, sewer, and refuse utilities, stormwater drainage, and the golf course are accounted for as enterprise funds. Internal service funds are used to account for the cost of operations shared by various functions of the City. The City uses seven internal service funds to account for its internal functions: risk management, workers compensation reserve, health insurance, management services, short term disability, and fleet services. A combining statement of these internal service funds can be found in the supplementary information following the notes to the financial statements. In the government-wide statements, the internal service funds are presented 50% in the business-type activities and 50% in the governmental type activities, mirroring the usage of those funds.

  Fiduciary funds are used by the City to account for resources held by the city for the benefit of a third party. The City's fiduciary funds include the Sales tax agency fund, the payroll claims agency fund, and the Flex medical fund. Because the resources of these funds are not available for the city's operation, they are not presented in the government-wide financial statements. A combining statement can be found in the supplementary information following the notes to the financial statements.

  Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used. The City has one permanent fund: the Cemetery endowment fund.

Financial Analysis of the City

Net Position of the primary government – Over time, net position can serve as a useful indicator of the City's financial position. In accordance with GASB Statement No. 34, Table 1 summarizes net assets of the City of Winfield.

Table 1

City of Winfield, Kansas
Net Position
As of December 31, 2012
(with comparative totals for December 31, 2011)
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Cash and investments	$ 3,133	$ 2,775	$ 9,524	$ 7,598	$ 12,657	$ 10,373
Other assets	7,793	7,391	5,169	6,079	12,962	13,470
Capital assets	30,080	27,059	46,636	48,230	76,716	75,289
Total assets	41,006	37,225	61,329	61,907	102,335	99,132
Deferred Outflows						
Deferred refunding	202	-	88	-	290	-
Total deferred outflows	202	-	88	-	290	-
Long-term liabilities	12,463	9,799	8,833	9,138	21,296	18,937
Other liabilities	1,927	6,036	3,376	3,171	5,303	9,207
Total liabilities	14,390	15,835	12,209	12,309	26,599	28,144
Deferred Inflows						
Deferred revenues	3,824	-	-	-	3,824	
Total deferred inflows	3,824					
Net Position:						
Net investment in Capital assets	16,851	16,254	37,305	38,560	54,156	54,814
Restricted	903	957		-	903	957
Unrestricted	5,240	4,179	11,903	11,038	17,143	15,217
Total net position	$ 22,994	$ 21,390	$ 49,208	$ 49,598	$ 72,202	$ 70,988

The City's net position increased $1.2 million from 2011 to the end of 2012. Approximately 75 percent of the City's net position reflect investment in capital assets (e.g. land, buildings, improvements, equipment), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently the capital assets are not available for future spending. An additional portion of these assets (1 percent) represents resources that are subject to external restrictions on how they may be spent. The unrestricted portion of total net position is $17 million, or 24 percent, available to meet the city's ongoing obligations.

Governmental activities - The governmental activities portion of unrestricted net position totals $5.2 million, or 23 percent of total governmental activities net position. Capital assets, net of related debt, comprise 73 percent of total governmental activities net position. Long-term liabilities increased by $2.7 million from 2011 to 2012. General Obligation Temporary Note debt of $3.96 million was issued in 2012. $1.83 million of General Obligation bonds were refunded resulting in a net economic gain of $96 thousand.

Business-type activities – The business-type activities portion of unrestricted net position total $11.9 million, or 24 percent of total business-type activities net position. Capital assets, net of related debt, comprise 76 percent of the total net position. Long-term liabilities increased by $305 thousand from 2011 to 2012.

Table 2, below, summarizes total City revenues and expenses for the fiscal year ending December 31, 2012:

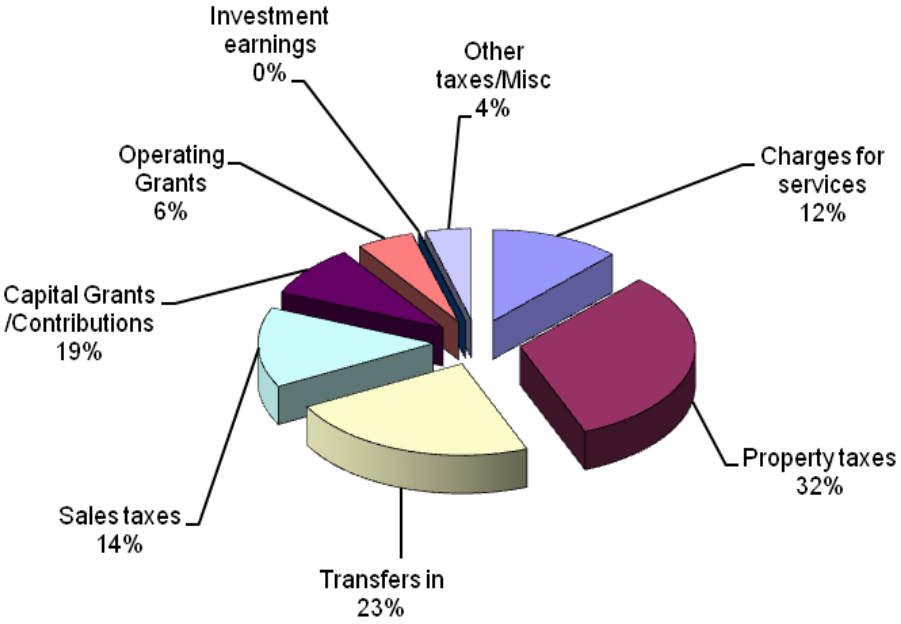
Table 2

City of Winfield, Kansas
Changes in Net Position
As of December 31, 2012
(with comparative totals for December 31, 2011)
(in thousands of dollars)

	Govenrmental Activities		Business-type Activities		Total Primary Gov't	
Revenues	2012	2011	2012	2011	2012	2011
Program revenues:						
Charges for services	$ 1,470	$ 1,509	$ 36,197	$ 35,751	$ 37,667	$ 37,260
Operating grants and contributions	646	553	-	-	646	553
Capital grants and contributions	1,118	56	86	113	1,204	169
General revenues:						
Property taxes	3,942	4,134	-	-	3,942	4,134
Sales taxes	1,744	1,803	-	-	1,744	1,803
Franchise fees	248	198	-	-	248	198
Other taxes	130	146	-	-	130	146
Miscellaneous income	14	19	-	-	14	19
Investment interest	11	10	24	20	35	30
Total revenues	9,323	8,428	36,307	35,884	45,630	44,312
Expenses						
General government	1,297	1,284	-	-	1,297	1,284
Public safety	4,588	4,493	-	-	4,588	4,493
Public works	1,414	1,392	-	-	1,414	1,392
Cemetery	157	146	-	-	157	146
Culture and recreation	1,987	2,045	-	-	1,987	2,045
Health and welfare	344	342	-	-	344	342
Economic development	306	186	-	-	306	186
Interest on debt	488	452	-	-	488	452
Electric	-	-	24,217	22,331	24,217	22,331
Gas	-	-	3,507	4,161	3,507	4,161
Water	-	-	2,433	2,355	2,433	2,355
Refuse	-	-	1,151	1,247	1,151	1,247
Wastewater	-	-	1,845	1,849	1,845	1,849
Golf course	-	-	682	762	682	762
Total expenses	10,581	10,340	33,835	32,705	44,416	43,045
Excess before transfers, special items, and prior year restatements	(1,258)	(1,912)	2,472	3,179	1,214	1,267
Transfers	2,862	2,165	(2,862)	(2,165)	-	-
Restatements	-	-	-	-	-	-
Change in net position	$ 1,604	$ 253	$ (390)	$ 1,014	$ 1,214	$ 1,267

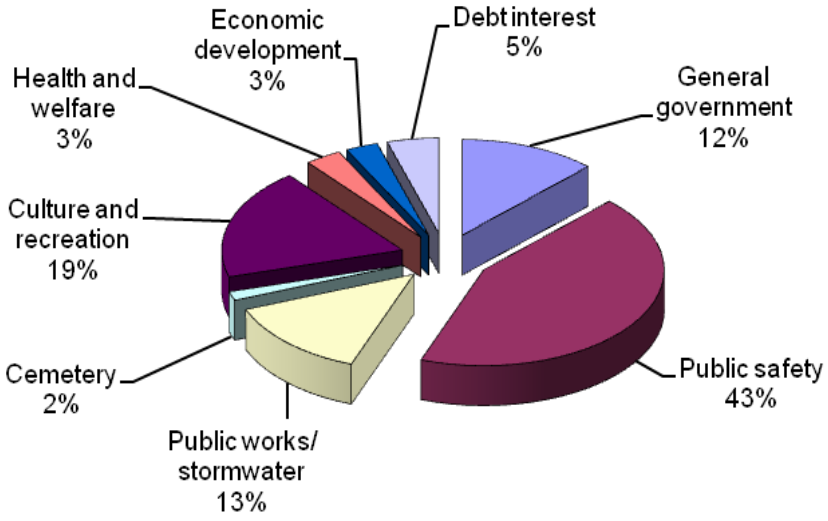
Governmental Activities - As indicated above, governmental net position increased by $1.35 million in 2012. Total governmental expenses increased two percent, while revenues increased $895 thousand, 10% from 2012.

Sources of Revenue - Governmental Activities



Major sources of revenue of the governmental activities continue to be property, sales, and other taxes, as illustrated in the above graph. Property taxes comprised $3.9 million, or 32 percent of the City's governmental activities 2012 revenue. 'Other taxes' includes alcohol beverage, franchise, and transient guest taxes. The electric, gas, water, and refuse funds pay the general fund 'in lieu of' franchise fees, a set percentage of gross revenues, similar to what would be assessed third-party utility companies supplying services to Winfield citizens. These are reflected as transfers in the above chart. Operating grants included primarily public works and public safety operational and maintenance funding through the State of Kansas. Capital grants and contributions include special assessments, contributions, and federal grants revenues.

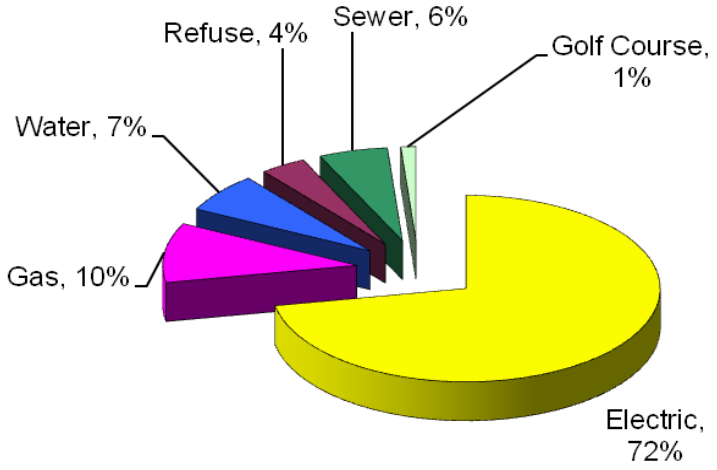
Functional Expenses - Governmental Activities



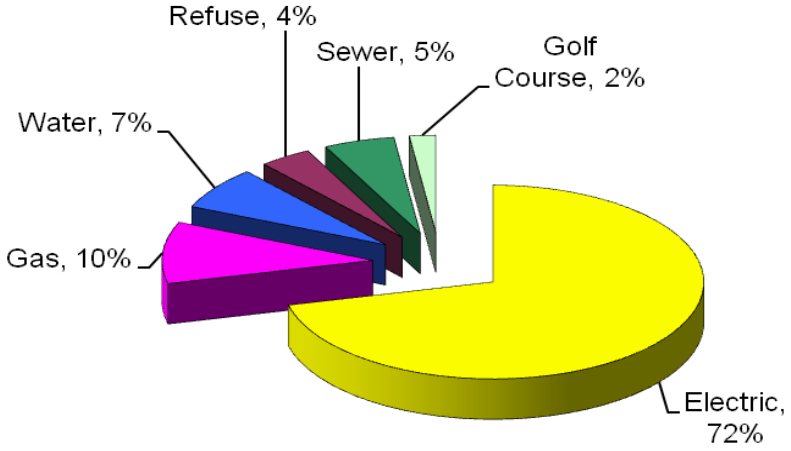
Public safety expense continues to represent the largest governmental expense, $4.6 million, or 43 percent of the City's total governmental expenses of $10.6 million.

Business-type activities - The City operates five utilities and a municipal golf course. Combined, the electric and gas utilities comprise 82 percent of the total business-type activity charges.

Program Revenues - Business Type Activities



Program Expenses - Business Type Activities



Highlights in the business-type activities area include:

- For business-type activities, 2012 overall expenses increase 1.1 million, from 2011, and program revenues decreased $446 thousand.
- Electric kwh sales increased 5.75 % over 2011, due to the summer heat and an increase in industry usage. 2012 operating income in the electric utility fund was $1.9 million.
- Water gallons sales remained at 2011 levels. 2012 operating income in the water utility fund was $182 thousand.
- Gas MCF sales decreased 18% in 2012 due to warmer weather. Net operating income of the gas fund was $1 million thousand in 2010 and $810 thousand in 2011. 2012 operating income in the gas utility fund was $243 thousand.
- The wastewater utility fund incurred a $231 thousand operating profit in 2012. The City has increased sewer user charges in early 2008, rates to increase over a five year period, for the purpose of funding KDHE debt for wastewater treatment plant improvements.

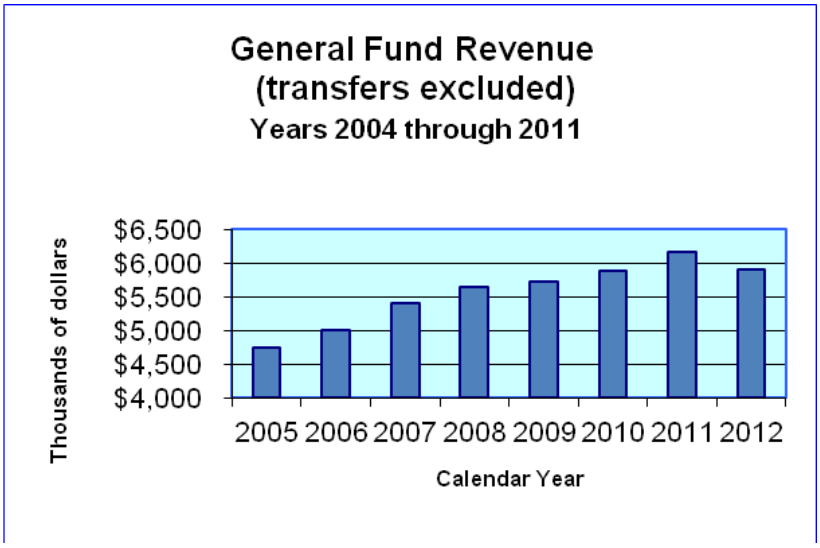
Financial Analysis of the Government's Funds

As noted earlier, the City of Winfield uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the City of Winfield's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Winfield's financing requirements.

As of the end of the fiscal year ending December 31, 2012, the City's governmental funds reported a combined ending fund balance of $3.0 million, an increase of $1.2 million in comparison to the prior year. Approximately 15 percent of this total amount, $465 thousand, constitutes unassigned fund balance, available for spending at the City's discretion. 63 percent of fund balance is restricted for specific purposes and the remaining 22 percent is committed by management for specific purposes.

General Fund - The general fund is the major operating and taxing fund for the City of Winfield. At the close of 2012, the general fund balance was $485 thousand, compared to $438 thousand at the close of 2011. Excluding transfers to and from the general fund and the debt payments related to a 2006 purchase of a $1 million fire truck, the overall general fund expenditures increased five percent from 2011, while revenues increased 3 percent.



Major revenue sources in the General fund include:

- Property taxes collected were $2.62 million. Property tax collections were 97 percent of projected revenues in 2012. The 2012 City mill levy decreased approximately .2 mills from 2011.
- Sales tax collected amounts to $1.7 million, exceeding projected revenues by ½ percent. Sales tax collections were indicative of an slow yet upturn in the local economy.
- In 2012, total 'in lieu of' franchise fees from the other utilities increased 19 percent, $487 thousand over the prior year, due to the electric and water utilities' gross revenues increase. These amounts are treated as inter-fund transfers in the financial statements.

General funds expenditures, excluding transfers, totaled $7.3 million, approximately a 6 percent increase above 2011 amounts. Below is a historical trends summary by function of general fund expenditures.

General Fund Expenses by Function
Years 2004 through 2012
(dollars in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	9 Yr Average Annual Growth
General gov't	$ 933	$ 607	$ 837	$ 823	$ 768	$ 810	$ 782	$ 820	$ 910	1.4%
Public safety	3,195	3,485	4,670	3,858	4,378	4,223	4,273	4,250	4,554	4.8%
Cemetery	131	142	131	140	142	134	138	154	156	2.1%
Culture/recreation	1,040	1,240	1,083	1,072	1,178	1,079	1,207	1,251	1,269	2.7%
Health and welfare	315	311	290	290	294	320	315	302	328	0.6%
Economic development	22	6	16	15	10	10	10	10	10	6.0%
Debt service	10	-	-	126	126	126	126	126	125	0.0%
	$ 5,646	$ 5,791	$ 7,027	$ 6,324	$ 6,896	$ 6,702	$ 6,851	$ 6,913	$ 7,352	2.9%

Capital Improvements Fund – The capital improvements fund's primary revenue source is a one-half cent City sales tax. Funds were used for projects and for debt payments on prior years' projects. The year end fund balance of $67 thousand is a decrease of 39 percent, compared to the 2011 year end fund balance of $171 thousand.

Debt Service Fund - The debt service fund's fund balance increased 20 percent to $208,426 at the end of 2012. 9.602 mills generated $695 thousand of property taxes for fund in 2012. This mill levy has continues to remain at a relatively stable level over the last ten years, varying from 9.189 to 11.747 mills.

Other Governmental Funds – Other governmental funds' fund balance was $2,324,703, at the end of 2012, an increase of $1.27 million from the prior year. $705 thousand of increase was related to the Gottlob Business Park project which was accumulated revenue totaling $4.5 million.

General Fund Budgetary Highlights

Actual revenue sources in 2012 totaled 104 percent of the original 2011 budget. Revenue highlights are discussed above under 'General Fund'. Overall 2012 expenditures increased 4.3 percent over 2011. The City's unencumbered fund balance in the general fund at December 31, 2012 was $237,174, equivalent to 2.8 percent of the 2012 general fund budgetary basis expenditures.

Capital Assets

At the end of 2012, the City had $77 million invested, net of depreciation, in a broad range of capital assets used in both governmental and business-type activities, summarized on the following page:

Table 3

City of Winfield, Kansas
Assets, Net of Depreciation
As of December 31, 2012
(with comparative totals for December 31, 2011)
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Land	$ 1,903	$ 1,903	$ 827	$ 827	$ 2,730	$ 2,730
Infrastructure/ other improvements	20,454	16,224	31,252	31,528	51,706	47,752
Construction	40	40	-	10	40	50
Buildings and improvements	5,609	6,229	4,957	5,329	10,566	11,558
Equipment	2,276	2,663	9,688	10,536	11,964	13,199
Total	30,282	27,059	46,724	48,230	77,006	75,289

Government-wide capital assets, net of depreciation, increased 11 percent in 2012. In business-type activities, capital assets, net of depreciation, decreased 3 percent during 2012. The major increase in governmental activities is primarily because of the Gottlob Business Park capital project in infrastructure improvements. Additional information regarding the City of Winfield's capital assets can be found in note 9, page A-48 of this report.

Long-term Debt

At the end of 2012, the City had total long-term debt of $23.5 million, $2.2 million due within the next year. Of the total debt, $18.8 million is backed by the full faith and credit of the government, although the City's intent is to use water and sewer utility revenues to repay $6.7 million of that $18.8 million.

During 2012, the City issued $3.96 million in General Obligation Temporary Notes for the Gottlob Business Park capital project. The City also refunded $1.5 million in general obligation bonds. City officials have taken a conservative stance from 2010 to 2012 using those years to reduce total debt, and create a fiscal position to fund these projects infrastructure improvements. Additional information on the city's long-term debt can be found in Note 13, pages A-50 through A-53 of this report.

Economic Factors and Next Year's Budgets

County unemployment rates as of December 31, 2012 and April 30, 2012 were 5.6% and 5.9%, respectively. Comparable national unemployment rates were 7.8% and 7.5%, and comparable Kansas state-wide unemployment rates were 5.6% and 5.7% The City of Winfield and surrounding Cowley County were not insulated from significant job losses in the nationwide recession. While the county's various light manufacturing industries were affected negatively by the recession in 2009, the years 2010, 2011 & 2012 have shown a rebound. Using utility usage as an indicator, industry kwh has returned approximately 96% of 2008 pre-recession usage. The value of building permits in 2012 was $14 million, an increase from 2011's value of $13.2 million, 324 permits were issued in 2012, compared to 328 permits issued in 2011.

In March of 2013, The Island Park Playground located in north Winfield, Kansas was destroyed by fire. Damage sustained to the playground totaled $732,250 of which $634,361 was recovered from EMC insurance Co. Plans to rebuild the playground are underway.

The City of Winfield continues to partner with other local governments and the private sector to maintain local economic efforts. The 2013 budget reflects a 3 percent increase in budgeted expenditures over 2012 amounts, and 2013 revenues are anticipated to remain steady in comparison to 2012 amounts.

Requests for Information

This financial report is designed to provide a general overview of the City of Winfield's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, P.O. Box 646, Winfield, KS 67156.

CITY OF WINFIELD, KANSAS

STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Pooled cash and investments	$ 3,133,029	$ 7,624,030	$ 10,757,059	$ 809,232
Receivables:				
Taxes	3,770,444	-	3,770,444	-
Special assessments	2,592,450	-	2,592,450	-
Economic development receivable	248,000	-	248,000	-
Utilities	-	3,313,474	3,313,474	-
Accounts	42,948	51,868	94,816	162,259
Due from other governmental agencies	54,180	-	54,180	55,702
Due from component units	-	-	-	
Restricted cash-noncurrent	-	1,900,000	1,900,000	-
Inventories and prepaids	172,875	1,657,823	1,830,698	25,454
Land held for resale	710,252	-	710,252	
Capital assets, not being depreciated	1,943,126	827,527	2,770,653	52,776
Capital assets, net of accumulated depreciation	28,339,200	45,896,849	74,236,049	2,096,768
Other investments	-	11,957	11,957	-
Other investments-restricted	-	-	-	12,432
Investment in joint venture	-	45,098	45,098	-
Total assets	41,006,504	61,328,626	102,335,130	3,214,623
Deferred outflows of resources				
Deferred refunding charges	202,049	88,402	290,451	-
	202,049	88,402	290,451	
Liabilities				
Accounts payable	246,293	2,187,388	2,433,681	89,995
Accrued interest payable	67,062	58,631	125,693	-
Long-term liabilities				
Due within one year	1,614,296	1,130,557	2,744,853	-
Due in more than one year	12,462,781	8,832,793	21,295,574	-
Due within one year to primary government	-	-	-	28,532
Due in more than one year to primary governmer	-	-	-	-
Total liabilities	14,390,432	12,209,369	26,599,801	118,528
Deferred Inflows of resources				
Unavailable revenue- property taxes	3,575,686	-	3,575,686	-
Unavailable revenue- accounts receivable	248,000	-	248,000	-
Total deferred inflows of resources	3,823,686	-	3,823,686	-
Net Position				
Net investment in capital assets	16,850,705	37,304,887	54,155,592	2,027,281
Restricted for:			-	
Capital projects	108,384	-	108,384	-
Enabling legislation	580,407	-	580,407	55,702
Debt service	208,426	-	208,426	-
Cemtery Endowment - nonexpendable	6,000	-	6,000	17,895
Unrestricted net position	5,240,513	11,902,772	17,143,285	995,217
Total net position	$ 22,994,435	$ 49,207,659	$ 72,202,094	$ 3,096,095

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 1,296,695	$ 336,317	$ 69,750	$ -
Public safety	4,588,327	233,349	17,580	20,164
Public works/stormwater	1,413,920	150,130	557,650	-
Cemetery	156,726	63,810	-	684
Culture and recreation	1,986,876	508,072	1,055	-
Health and welfare	344,062	178,714	-	-
Economic development	305,823	-	-	1,097,152
Debt interest and related costs	487,573	-	-	-
Total governmental activities	10,580,002	1,470,392	646,035	1,118,000
Business-type activities:				
Electric	24,216,773	26,074,970	-	80,725
Gas	3,507,599	3,750,750	-	568
Water	2,433,503	2,470,167	-	3,784
Refuse	1,151,417	1,379,195	-	-
Wastewater	1,844,635	2,072,943	-	855
Golf course	681,748	448,759	-	-
Total business-type activities	33,835,675	36,196,784	-	85,932
Total primary government	$ 44,415,677	$ 37,667,176	$ 646,035	$ 1,203,932
Component Units:				
Winfield Public Library				$ -
Winfield Area EMS				-
Winfield Housing Authority				-
Total component units	-	-	-	-

General revenues:
- Property taxes
- Sales taxes
- Investment earnings
- Transient guest taxes
- Franchise taxes
- Alcohol beverage taxes
- Miscellaneous
- Payments from City of Winfield

Transfers - In lieu of transfer payments from utilities
Transfers
Total general revenues and transfers

Change in net position

Net Position - beginning
Prior year adjustment
Net Position - beginning, adjusted

Net Position - ending

See accompanying notes to financial statements

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (890,628)	$ -	$ (890,628)	$ -
(4,317,234)	-	(4,317,234)	-
(706,140)	-	(706,140)	-
(92,232)	-	(92,232)	-
(1,477,749)	-	(1,477,749)	-
(165,348)	-	(165,348)	-
791,329	-	791,329	-
(487,573)	-	(487,573)	-
(7,345,575)	-	(7,345,575)	-
-	1,938,922	1,938,922	-
-	243,719	243,719	-
-	40,448	40,448	-
-	227,778	227,778	-
-	229,163	229,163	-
-	(232,989)	(232,989)	-
-	2,447,041	2,447,041	-
$ (7,345,575)	$ 2,447,041	$ (4,898,534)	$ -
$ -	$ -	$ -	$ (444,331)
-	-	-	(134,040)
-	-	-	(10,479)
-	-	-	(588,850)
3,941,589	-	3,941,589	-
1,744,484	-	1,744,484	-
11,056	24,030	35,086	-
68,700	-	68,700	-
247,602	-	247,602	-
61,041	-	61,041	-
14,430	-	14,430	-
	-	-	754,249
2,576,965	(2,576,965)	-	-
284,722	(284,722)	-	-
8,950,589	(2,837,657)	6,112,932	754,249
1,605,014	(390,616)	1,214,398	165,399
21,389,421	49,598,275	70,987,696	2,930,696
-	-	-	-
21,389,421	49,598,275	70,987,696	2,930,696
$ 22,994,435	$ 49,207,659	$ 72,202,094	$ 3,096,095

CITY OF WINFIELD, KANSAS

GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2012

	General Fund	Debt Service Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	$ 407,965	$ 208,426	$ 23,684	$ 1,657,152	$ 2,297,226
Receivables:					
Property taxes	2,403,056	602,512	-	570,118	3,575,686
Sales and franchise taxes	194,758	-	-	-	194,758
Special assessments	50,989	2,541,461	-	-	2,592,450
Accounts	16,185	-	-	332	16,517
Economic development Loan	248,000	-	-	-	248,000
Due from other governmental agencies	-	57,568	-	15,237	72,805
Due from other funds	-	-	42,980	-	42,980
Assets held for resale	-	-	-	710,252	710,252
Advances to internal service funds	20,265	-	-	-	20,265
Total assets	3,341,218	3,409,968	66,664	2,953,091	9,770,940
Liabilities					
Accounts and wages payable	154,073	-	-	15,290	169,362
Due to other funds	-	-	-	42,980	42,980
Total liabilities	154,073	-	-	58,270	212,342
Deferred inflows of resources					
Unavailable revenue- property taxes	2,403,056	602,512	-	570,118	3,575,686
Unavailable revenue- special assessments	50,989	2,541,461	-	-	2,592,450
Unavailable revenue- Accounts Receivable	248,000	57,568	-	-	305,568
Total deferred inflows of resources	2,702,045	3,201,542	-	570,118	6,473,705
Fund Balances					
Fund balances					
Nonspendable	20,265	-	-	6,000	26,265
Restricted	-	208,426	66,664	1,300,770	1,575,860
Committed	-	-	-	348,373	348,373
Assigned	-	-	-	669,560	669,560
Unassigned	464,835	-	-	-	464,835
Total fund balances	485,100	208,426	66,664	2,324,703	3,084,893
Total liabilities, deferred inflows of resources, and fund balances	$ 3,341,218	$ 3,409,968	$ 66,664	$ 2,953,091	$ 9,770,940

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2012

Total fund balances - Total governmental funds		$ 3,084,893
Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the governmental funds above because of the following:		
CAPITAL ASSETS		
Capital assets used in governmental activities are not current assets or financial resources and therefore are not reported in the governmental funds. These assets include stormwater drainage infrastructure and consist of:		
Land and construction in progress	$ 1,943,126	
Buildings, net of $3,430,686 accumulated depreciation	6,272,418	
Improvements other than buildings, net of $5,360,396 accumulated depreciation	19,803,921	
Machinery and equipment, net of $7,050,975 accumulated depreciation	2,262,858	
Total capital assets		30,282,323
STORMWATER DRAINAGE		
The stormwater drainage utility fund is an enterprise fund of the City, and has been reclassifed to governmental activities in the government-wide statements. Stormwater drainage fees are charged to City utility wastewater customers through consolidated utility bills. Stormwater fees are used to paritally fund stormwater drainage system facilities and improvements. However, general obligation debt has funded a significant portion of the system.		180,148
BOND ISSUANCE COSTS		
Issuance costs associated with new debt issued by the City in 2003-2012 were reported as expenditures in the governmental fund when the debt was issued, whereas bond issuance costs are deferred in the statement of net position. Deferred bond issuance costs are amortized, over the life of the debt issued, as an adjustment to interest expense in the statement of activities.		114,748
DEFERRED LOSS ON REFUNDING OF GENERAL OBLIGATION DEBT		
The 2005 refunding of $1,980,000 debt with the issuance of $2,130,000 debt created a $150,000 increase in debt liability on the balance sheet. This deferred loss is amortized over the life of the new debt.		82,979
The 2012 refunding of $1,520,000 debt with the issuance of $1,424,410 debt created a $95,589 decrease in debt liability on the balance sheet. This deferred gain is amortized over the life of the new debt.		(95,588)
DEFERRED PREMIUM ON REFUNDING OF GENERAL OBLIGATION DEBT		
The 2010 general obligation bonds totaling $8.535 million included a $18,897 debt premium in the governmental funds. This premium is amortized over the life of the debt.		(15,113)
LONG TERM RECEIVABLES		
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e. receivables) are offset by deferred revenues in the governmental funds and, therefore, not included in fund balance.		
Balances at December 31, 2012 are:		
Contractual receivables from other governmental agencies	54,180	
Deferred special assessments	2,592,450	2,646,630
DUE TO PROPRIETARY FUNDS		
Amounts advanced and due to or from nongovernmental funds are offset in the governmental activities in the statement of net position.		
Advance to internal service funds	(20,265)	
		(20,265)
INTERNAL SERVICE FUNDS		
Internal services funds are used by the city to account for the financing of goods or services provided by one department to other City departments, generally on a cost reimbursement basis. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		853,705
LIABILITIES		
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position.		
Balances at December 31, 2012 are:		
Accrued interest payable	(67,062)	
Compensated absences	(323,600)	
Net OPEB obligation	(174,109)	
Payable to other governmental agencies	(6,489)	
General obligation bonds	(13,051,019)	
Capital leases payable	(497,747)	
Total liabilities not reflected in governmental funds balance sheet		(14,120,025)
Total net position of governmental activities		$ 22,994,435

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund	Debt Service Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 2,615,294	$ 695,913	$ -	630,382	$ 3,941,589
Sales taxes	1,744,484	-	-	-	1,744,484
Special assessments	-	256,707	-	-	256,707
Franchise taxes	247,603	-	-	-	247,603
Intergovernmental revenue	410,643	-	-	755,793	1,166,436
Licenses and permits	82,150	-	-	-	82,150
Fines and penalties	120,658	-	-	-	120,658
Interest income	1,994	656	488	2,919	6,057
Use of property	90,543	-	-	-	90,543
Charges for services and sales	520,063	-	-	39,091	559,154
Other	61,864	-	-	2,049,409	2,111,273
Total revenues	5,895,296	953,276	488	3,477,594	10,326,654
Expenditures					
Current operations:					
General government	910,267	6,237	-	264,770	1,181,274
Public safety	4,553,545	-	-	59,791	4,613,336
Public works	-	-	-	1,028,453	1,028,453
Cemetery	155,933	-	-	4,518	160,451
Culture and recreation	1,269,412	-	-	536,292	1,805,704
Health and welfare	327,612	-	-	16,450	344,062
Economic development	10,000	-	-	3,946,430	3,956,430
Capital outlay	-	-	279,691	-	279,691
Debt service:					
Debt principal payments	99,832	800,560	29,377	36,347	966,116
Debt interest payments	25,173	483,670	1,161	2,824	512,828
Total expenditures	7,351,774	1,290,466	310,229	5,895,876	14,848,345
Excess (deficiency) of revenues over (under) expenditures	(1,456,478)	(337,190)	(309,741)	(2,418,282)	(4,521,691)
Other financing sources (uses):					
Transfers in	91,250	718,349	903,779	380,046	2,093,424
Transfers in - Pymts In lieu of franchise fees	2,576,965	-	-	-	2,576,965
Transfers out	(1,165,073)	-	(698,349)	(106,718)	(1,970,140)
General Obligation refunding bond proceeds	-	1,520,000	-	-	1,520,000
General Obligation refunding bonds to escrow agent	-	(1,833,955)	-	-	(1,833,955)
Temporary Note Proceeds	-	-	-	3,410,000	3,410,000
Debt Issuance Costs	-	(17,505)	-	-	(17,505)
	-	-	-	-	-
Total other financing sources (uses)	1,503,142	386,889	205,430	3,683,328	5,778,789
Net change in fund balances	46,664	49,699	(104,311)	1,265,046	1,257,098
Fund balances, beginning of year	438,436	158,727	170,975	1,059,657	1,827,795
Fund balances, end of year	$ 485,100	$ 208,426	$ 66,664	$ 2,324,703	$ 3,084,893

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measures only changes in current assets and current liabilities on the accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Net Activities, which is prepared on the full accrual basis.

Net change in fund balances - total governmental funds		$ 1,257,098
Amounts reported for governmental activities in the statement of activities are different because:		
Capital asset transactions		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets, which meet capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense, capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay expenditures	4,133,595	
Depreciation	(877,551)	
Net loss on retirement/sale of governmental capital assets	47,954	
Net capital asset transactions		3,303,998
Transfers of capital assets from governmental activities to business type actiivities are reported as transfers, whereasin the governmental funds, there is no event to report as there was no outward flow of current financial resources.		
Revenues		
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Long-term receivables		(31,437)
Special assessments receivables		(267,782)
Long-term debt		
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but in the Statement of Net Position, the repayment reduces long-term liabilities.		
General obligation and sales tax bond principal payments		1,425,000
Capital lease payments		165,599
KDOT TRF loan principal payments		36,415
Long term contractual payments		32,524
General obligation refunding bond premium		(9,574)
General obligation refunding bond proceeds		(1,520,000)
General Obligation Temporary Note Proceeds		(3,960,000)
Payment of refunded bonds to escrow agent		1,833,955
Reclassification of cash transfers for general obligation debt payments		
General obligation debt for water utility improvements is recognized as debt in the water utility fund. Under modified accrual accounting, the bond and interest fund receives cash transfers from the water fund to make the GO bond debt payments.		(569,217)
Accrual of non-current items		
The amounts below are included in the statement of activities, but do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(26,343)
Net OPEB obligation		(35,810)
Interest payable		16,793
Amortization of debt issuance costs		(14,595)
Amortization of debt premium		(32,383)
Deferred revenues		
Stormwater drainage fund reclassified as governmental-type activity		
The stormwater drainage fund is included as a proprietary fund in the Proprietary Funds' Statement of Net Position, and Statement of Revenues, Expenses and Changes in Fund Net Position. It is reclassified as governmental-type fund for the government-wide Statement of Net Position and Statement of Activities, defined as a 'public works/stormwater' function.		15,889
Allocation of internal service funds activity		
Internal service funds are used by management to charge the costs of certain activities, such as management services and insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities		(15,116)
Change in net position of governmental activities		$ 1,605,014

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Original and Final Budget)

	Original Budget	Amended Budget	Actual Amounts	Variance with amended Budget
Revenues and other sources:				
Taxes:				
Property	$ 2,711,125	$ 2,744,274	$ 2,615,296	$ (128,978)
Sales	1,740,000	1,816,000	1,746,484	(69,516)
Franchise	193,000	237,000	247,236	10,236
Licenses and permits	69,700	114,300	82,150	(32,150)
Intergovernmental	402,469	401,714	393,063	(8,651)
Rentals, charges for services and sales	751,150	676,700	624,846	(51,854)
Fines and penalties	137,500	131,500	120,658	(10,842)
Interest earnings	2,500	2,500	1,994	(506)
Miscellaneous	28,070	42,640	50,614	7,974
Payments in lieu of taxes - utilities	2,275,113	2,211,063	2,576,965	365,902
Transfers from other funds	75,000	91,250	91,250	-
Total revenues and other sources	8,385,627	8,468,941	8,550,556	81,615
Expenditures and other uses:				
General government:				
Legal	60,366	64,871	62,262	2,609
Administrative	954,922	1,027,267	1,041,596	(14,329)
Cemetery maintenance	160,913	163,430	155,933	7,497
Public safety:				
Police department	2,526,736	2,514,140	2,516,649	(2,509)
Fire department	1,895,172	1,879,535	1,836,703	42,832
Building inspection	318,912	312,727	286,896	25,831
Parking	25,226	10,013	10,458	(445)
Culture and recreation:				
City lake	335,841	306,381	286,824	19,557
Park maintenance	752,965	755,651	776,567	(20,916)
Baden Square	199,355	201,578	198,551	3,027
Aquatic facility	183,642	179,629	172,867	6,762
Transfers to other funds	1,165,900	1,250,900	1,165,073	85,827
Total expenditures and other uses	8,579,950	8,666,122	8,510,379	155,743
Revenues and other sources over (under) expenditures and other uses	(194,323)	(197,181)	40,177	237,358
Unencumbered fund balance, Jan 1	221,544	221,544	196,997	(24,547)
Unencumbered fund balance, Dec 31	$ 27,221	$ 24,363	$ 237,174	$ 212,811

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2012

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Assets			
Current assets			
Pooled cash and investments	$ 3,720,109	$ 2,746,763	$ 909,309
Utility billing receivables, net	1,945,161	-	729,226
Accounts receivable, net	30,314	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Inventories	1,143,804	-	165,103
Total current assets	6,839,388	2,746,763	1,803,638
Noncurrent assets			
Capital assets			
Land	382,366	-	6,303
Buildings and improvements	3,399,907	-	540
Improvements other than buildings	26,938,490	-	7,029,737
Machinery, equipment, other	18,559,707	-	915,620
Less accumulated depreciation	(29,856,137)	-	(3,530,425)
Net capital assets	19,424,333	-	4,421,775
Other assets			
Advances to other funds	65,680	-	6,645
Investment in joint venture	-	-	-
Other investments	11,957	-	-
Unamortized issuance costs	-	-	-
Total other assets	77,637	-	6,645
Total noncurrent assets	19,501,970	-	4,428,420
Total Assets	26,341,358	2,746,763	6,232,058

See accompanying notes to financial statements

Enterprise Funds				
Water Utility Fund	Wastewater Utility Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
$ 242,920	$ 322,135	$ 1,075,767	$ 9,017,003	$ 1,342,830
246,412	211,021	142,684	3,274,504	54,729
86	10,797	-	41,197	21,342
-	-	-	-	201,739
-	-	-	-	-
112,140	32,023	31,878	1,484,948	144,011
601,558	575,976	1,250,329	13,817,652	1,764,651
8,801	23,355	403,452	824,277	6,500
1,500,773	5,834,248	574,793	11,310,261	2,120,374
10,502,747	11,730,960	7,326,922	63,528,856	113,119
5,367,650	2,290,679	1,686,503	28,820,159	1,723,987
(6,532,258)	(10,017,849)	(4,532,652)	(54,469,321)	(2,282,765)
10,847,713	9,861,393	5,459,018	50,014,232	1,681,215
2,969	4,912	7,620	87,826	-
-	-	45,098	45,098	-
-	-	-	11,957	-
88,402	-	4,321	92,723	-
91,371	4,912	57,039	237,604	-
10,939,084	9,866,305	5,516,057	50,251,836	1,681,215
11,540,642	10,442,281	6,766,386	64,069,488	3,445,866

(Continued)

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Liabilities			
Current liabilities			
Accounts payable	$ 1,282,199	$ 291,221	$ 409,090
Accrued interest payable	-	-	-
Current portion of compensated absences pyble	78,724		29,697
Current portion of long-term debt	-	-	-
Total current liabilities	1,360,923	291,221	438,787
Noncurrent liabilities			
Certificates of Participation	-	-	-
Temporary Notes	-	-	-
General obligation bonds	-	-	-
Deferred premium on refunding bonds	-	-	-
Accrued compensated absences	23,545	-	29,683
Net OPEB obligation	61,419	-	20,670
Advances from other funds	-	-	-
Total noncurrent liabilities	84,964	-	50,353
Total liabilities	1,445,887	291,221	489,140
Net Position			
Invested in capital assets	19,424,333	-	4,421,775
Invested in capital assets, net of related debt	-	-	-
Unrestricted	5,471,138	2,455,542	1,321,143
Total net position	$ 24,895,471	$ 2,455,542	$ 5,742,918
Total liabilities and net position	$ 26,341,358	$ 2,746,763	$ 6,232,058

See accompanying notes to financial statements

Enterprise Funds				
Water Utility Fund	Wastewater Utility Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
$ 45,336	$ 30,689	$ 52,355	$ 2,110,891	$ 81,519
47,357	11,274	2,349	60,980	-
27,632	10,979	19,338	166,370	109,028
426,789	482,885	85,447	995,121	71,909
547,114	535,827	159,489	3,333,362	262,456
-	2,581,013	-	2,581,013	-
550,000	-	-	550,000	-
5,347,190	-	266,839	5,614,029	-
44,110	-	2,447	46,557	-
17,260	-	12,645	83,133	88,947
24,263	18,093	21,053	145,498	74,750
-	-	-	-	108,093
5,982,823	2,599,106	302,984	9,020,230	271,790
6,529,937	3,134,933	462,473	12,353,592	534,246
-	-	-	23,846,108	1,274,833
4,479,624	6,797,495	5,106,732	16,383,851	406,382
531,081	509,853	1,197,180	11,485,937	1,230,405
$ 5,010,705	$ 7,307,348	$ 6,303,912	$ 51,715,896	$ 2,911,620
$ 11,540,642	$ 10,442,281	$ 6,766,385	$ 64,069,488	$ 3,445,866

Total net position	$ 51,715,896
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type	1,449,394
Reclassification of stormwater drainage fund net position to governmental activities net position	(3,957,632)
Net position of business-type activities	$ 49,207,658

(Concluded)

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Operating revenues			
Charges for services and sales	$ 25,861,615	$ -	$ 3,724,782
Other	233,418	-	25,968
Total operating revenues	26,095,033	-	3,750,750
Operating expenses			
Services and supplies	22,949,393	-	3,372,211
Depreciation	1,235,264	-	135,388
Total operating expenses	24,184,657	-	3,507,599
Operating income (loss)	1,910,376	-	243,151
Non-operating revenues (expenses)			
Investment income	8,992	7,599	3,630
Loss on joint venture	-	-	-
Amortization of debt issuance costs	-	-	-
Interest expense	-	-	-
Other	-	-	-
Total non-operating revenues (expenses)	8,992	7,599	3,630
Income (loss) before contributions and transfers	1,919,368	7,599	246,781
Capital contributions and transfers:			
Capital contributions	80,725	-	568
Transfers- payments in lieu of franchise fees	(2,153,045)	-	(227,246)
Transfers in - cash	8,164	540,000	2,250
Transfers out - cash	(577,000)	-	(187,800)
Transfers in - capital assets	495,689	-	-
Transfers out - capital assets	(257,466)	(495,689)	(2,320)
Change in net position	(483,565)	51,910	(167,767)
Total net position - beginning	25,379,036	2,403,632	5,910,685
Total net position- ending	$ 24,895,471	$ 2,455,542	$ 5,742,918

See accompanying notes to financial statements

Enterprise Funds				
Water Utility Fund	Wastewater Utility Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
$ 2,448,292	$ 2,060,334	$ 1,954,367	$ 36,049,390	$ 2,980,894
21,875	12,609	23,241	317,111	1,849,997
2,470,167	2,072,943	1,977,608	36,366,501	4,830,891
1,841,456	1,141,286	1,709,966	31,014,312	4,834,131
446,710	639,857	218,476	2,675,695	171,301
2,288,166	1,781,143	1,928,442	33,690,007	5,005,432
182,001	291,800	49,166	2,676,494	(174,541)
578	382	2,849	24,030	3,795
-	-	(719)	(719)	-
(3,829)	-	(577)	(4,406)	-
(143,482)	(68,936)	(7,325)	(219,744)	(491)
-	5,444	(8,689)	(3,245)	-
(146,733)	(63,111)	(14,461)	(204,084)	3,304
35,268	228,690	34,705	2,472,410	(171,237)
3,784	855	-	85,932	-
(131,571)	-	(65,103)	(2,576,965)	-
2,750	2,000	167,900	723,064	27,900
(46,698)	-	(20,000)	(831,498)	(42,750)
-	-	-	495,689	165,158
-	-	-	(755,475)	(9,303)
(136,467)	231,545	117,502	(386,842)	(30,232)
5,147,172	7,075,803	6,186,410	52,102,738	2,941,852
$ 5,010,705	$ 7,307,348	$ 6,303,912	$ 51,715,896	$ 2,911,620

Decrease in net position, per fund statements	$ (386,842)
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type acti	12,115
Reclassification of stormwater drainage fund activities to governmental activities	(15,889)
Change In net position of business-type activities	$ (390,616)

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Cash flows from operating activities			
Payments to suppliers	$ (20,940,220)	$ 291,221	$ (2,903,184)
Payments to employees	(2,006,559)	-	(461,238)
Payments of claims	-	-	-
Internal activity-receipts from other funds	8,164	-	-
Receipts from customers	26,397,599	-	4,040,280
Other receipts (expenses)	224,978	-	27,363
Net cash provided by operating activities	3,683,962	291,221	703,221
Cash flows from noncapital financing activities			
Advances from (to) other funds	91,417	-	-
Internal activity-payments in lieu of franchise fees	(2,153,045)	-	(227,247)
Due from (to) other funds	-	-	-
Transfers (to) from other funds for debt payments	-	-	-
Transfers (to) from other funds for capital acquisition	(557,000)	540,000	-
Operating subsidies and transfers from (to) other funds	(37,000)	-	(185,550)
Net cash used by noncapital financing activities	(2,655,628)	540,000	(412,797)
Cash flows from capital and related financing activities			
Debt payments - principal	-	-	-
Debt payments - interest	-	-	-
Temporary Notes Proceeds	-	-	-
Capital lease and cert of part payments - principal	-	-	-
Capital lease and cert of part payments - interest	-	-	-
Certificate of Participation Refinancing Proceeds	-	-	-
Capital contributions	80,725	-	568
Proceeds from sale of capital assets	106,401	-	-
Acquisition of capital assets	(36,735)	(495,689)	(55,325)
Net cash used by capital and related financing activities	150,391	(495,689)	(54,757)
Cash flows from investing activities			
Investment income	8,992	7,599	3,630
Net cash provided from investing activities	8,992	7,599	3,630
Net increase (decrease) in cash and cash equivalents	1,187,717	343,131	239,297
Balances - beginning of the year (includes $200,000 in restricted accounts)	2,532,392	2,403,632	670,012
Balances - end of the year	$ 3,720,109	$ 2,746,763	$ 909,309

	Enterprise Funds			
Water Utility Fund	Wastewater Utility Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
$ (1,244,438)	$ (717,921)	$ (1,140,079)	$ (26,654,621)	$ (2,968,798)
(596,919)	(431,767)	(574,691)	(4,071,174)	(1,704,772)
-	-	-	-	(264,896)
-	-	-	8,164	4,516,897
2,455,319	2,054,048	1,954,732	36,901,978	8,072
21,789	12,673	21,815	308,618	355,298
635,751	917,033	261,777	6,492,965	(58,199)
-	-	-	91,417	8,928
(131,571)	-	(65,103)	(2,576,966)	-
-	-	-	-	-
	-	(20,000)	(20,000)	-
-	-		(17,000)	(31,850)
(43,948)	2,000	167,900	(96,598)	-
(175,519)	2,000	82,797	(2,619,147)	(22,922)
(421,014)	(224,517)	(6,191)	(651,722)	-
(148,203)	(53,783)	(85,447)	(287,433)	-
550,000	-	-	550,000	
-	(241,102)	-	(241,102)	(17,374)
-	(33,017)	-	(33,017)	(656)
-	21,646	-	21,646	-
3,784	855	-	85,932	-
-	7,366		113,767	-
(538,676)	(171,475)	(72,734)	(1,370,634)	(51,142)
(554,109)	(694,028)	(164,372)	(1,812,564)	(69,172)
578	383	2,850	24,032	3,795
578	383	2,850	24,032	3,795
(93,299)	225,388	183,052	2,085,287	(146,498)
336,219	96,747	892,715	6,931,717	1,489,328
$ 242,920	$ 322,135	$ 1,075,767	$ 9,017,003	$ 1,342,830

(Continued)

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	$ 1,910,376	$ -	$ 243,151
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,235,264	-	135,388
Changes in assets and liabilities:			
Receivables, net	492,217	-	316,892
Inventories/ prepaids	(45,611)	-	110,023
Compensated absences	(493)	-	10,904
Net OPEB obligations	15,240		4,531
Accounts and other payables	76,970	291,221	(117,668)
Total adjustments	1,773,587	291,221	460,070
Net cash provided (used) by operating activities	$ 3,683,962	$ 291,221	$ 703,221
Noncash Transactions			
Assets contributed from other funds	495,689	-	-
Assets contributed to other funds	(257,466)	(495,689)	(2,320)
Loss on joint venture	-	-	-
Amortization of premium on bond issuance	-	-	-
Amortization of deferred (loss) gain on debt defeasance	-	-	-
Amortization of debt issue costs	-	-	-

See accompanying notes to financial statements

	Enterprise Funds			
Water Utility Fund	Wastewater Utility Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
$ 182,001	$ 291,800	$ 49,166	$ 2,676,494	$ (174,541)
446,711	639,858	218,476	2,675,697	171,301
6,941	(6,222)	(1,534)	808,294	6,694
(7,271)	545	(3,687)	53,999	(5,356)
(1,092)	(3,992)	(2,984)	2,343	(15,155)
4,860	4,060	3,553	32,244	19,448
3,601	(9,017)	(1,213)	243,894	(60,590)
453,750	625,233	212,611	3,816,471	116,342
$ 635,751	$ 917,033	$ 261,777	$ 6,492,965	$ (58,199)
-	-	-	495,689	165,158
-	-	-	(755,475)	(9,303)
-	-	(719)	(719)	-
-	-	(577)	(577)	-
-	-	-	-	-
-	-	-	-	-

(Concluded)

CITY OF WINFIELD

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2012

	Agency Funds
Assets	
Pooled cash and investments	150,642
Other receivables	31,441
Total assets	182,083
Liabilities	
Accounts payable	182,083
Total liabilities	182,083
Net Position	$ -

See accompanying notes to financial statements

CITY OF WINFIELD KANSAS

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CITY OF WINFIELD KANSAS

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CITY OF WINFIELD, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

1. Summary of Significant Accounting Policies

The City of Winfield, Kansas was founded in 1869. Located in the northern half of Cowley County, Winfield has a population of 12,365 living within an area of 12 square miles. The City operates under a charter adopted February 2, 1873, and a Commission/Manager form of government.

A. Financial Reporting Entity

The City's combined financial statements include the account of all City operation. The criteria for including organizations as component units within the City's reporting entity, as set forth in section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can use and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Winfield has three discretely presented component units. The discretely presented component units are reported in a separate column in the government-wide financial statements.

1) Discretely Presented Component Units

Winfield Area Emergency Medical Service (WAEMS) – operates the local area ambulance service. The City appoints the Winfield Newton Memorial Hospital (WNMH) board, a related organization, who oversee the WAEMS operations.

Winfield Public Library - operates the City's public library. The library has its own financing levy under Kansas Statues, and the Library tax levy is included in the total City tax levy. Library tax distributions are paid to the City, and the City in turn distributes to the Library. The City appoints all Library Board members, and the City must approve acquisition or disposition of real property by the Library Board.

Winfield Housing Authority - operates the City's housing projects. The City created the Winfield Housing Authority as its agent in 1978, under K.S.A 17-2340. The City appoints all board members and has the ability to impose its will on Winfield Housing Authority. Although the City does not have the authority to approve or modify the Housing Authority's operational and capital budgets, and the Housing Authority has the authority to issue bonded debt, the City is fiscally responsible for the Housing Authority, since it was created as an agent of the City. The City has delegated to the Housing Authority the power to operate and manage the low-rent housing projects of the City. The Housing Authority is on a June 30 fiscal year end. Data included in these financial statements are for the fiscal year ended June 30, 2012.

All component units of the City are considered to be non-major funds. Complete financial statements of the individual component units can be obtained from their respective administrative offices listed below:

Winfield Area Emergency Medical Services 1300 East 5th Winfield, KS 67156	Winfield Public Library 605 College Winfield, KS 67156	Winfield Housing Authority 1417 Pine Terrace Winfield, KS 67156

2) Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement (or interlocal agreement) and is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control. The participants retain (a) an on-going financial interest or, (b) an on-going financial responsibility. The City participates in the following joint ventures:

Strother Field Airport and Industrial Park – The Cities of Winfield and Arkansas City, Kansas entered into an interlocal agreement to create the Strother Field Commission. Three commissioners from both cities comprise the Strother Field governing body, along with one Cowley County commissioner. The two cities jointly own Strother Field. The cities provide no financial support to Strother Field. Separate audited financial statements are available from Strother Field Airport and Industrial Park, P.O. Box 747, Winfield, KS 67156.

Cowley County Humane Society Interlocal Agreement- The Cities of Winfield and Arkansas City, Kansas entered into an interlocal agreement to jointly operate and fund the animal shelter. The purpose of this agreement is to provide for the continuity for the use of the Cowley County Humane Society to temporarily house, care and disperse unwanted or stray animals. Each City and the Society shall continue to have equal one-third (1/3) ownership interest in the shelter facility. Records and reporting are maintained by the Humane Society. The City of Winfield will contribute $32,000 annually and will continue to have an ongoing financial interest in the organization. Separate audited financial statements are available from Cowley County Humane Society, 7468 222nd Rd., Winfield, KS 67156.

Arkansas City/Winfield Recycling Center – The Cities of Winfield and Arkansas City, Kansas entered into an interlocal agreement to jointly purchase and operate a recycling center. Records are maintained by the City of Winfield; both cities share equally in the costs and recycling revenues. No separate financial statements are prepared for this joint venture. Further financial information can be obtained through the City of Winfield, 200 E. 9th Ave, Winfield, KS 67156. Below is a summary of 2012 revenues and expenses for the recycling center.

Recycling revenues	$	39,255
Recycling expenses		94,214
Depreciation expense		1,438

3) Related Organizations

A related organization is an organization for which a primary government is accountable because that government appoints a voting majority of the Board, but is not financially accountable.

William Newton Memorial Hospital – The City Commission is responsible for appointing the Board members of the Hospital, but the City's accountability for this organization does not extend beyond making appointments.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported discretely from the legally separate *component units* for which the primary government is financially accountable.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position, which is one method to measure the City's financial condition. An increase or decrease in the City's net position from one year to the next indicates whether the financial position of the City is improving or deteriorating.

The *statement of activities* demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include [1] charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and [2] grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The *government-wide financial statements* are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements, except for the agency funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

Sales tax and other taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Special assessments receivable that are not due within the current fiscal period and not susceptible to accrual are recorded as deferred revenue. All other revenue items are considered to be measurable and available only when cash is received.

The following major governmental funds are reported:

The *General fund* is the principal fund of the City that accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City, other than proprietary fund activities, are financed through revenues received by the General fund. Its revenues consist primarily of taxes, investment income, licenses and permits, intergovernmental shared revenues, charges for services, fines, and payments in lieu of taxes from both City-owned and external utilities. General fund expenditures represent the general administration costs of government, and public safety (fire, police, and buildings inspection), parks and recreational facilities, and cemetery maintenance.

The *Debt Service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Capital Improvements fund* accounts for many of the major capital improvements of the City (other than those financed in proprietary funds), financed primarily through one-half of the local sales tax revenues, issuance of general obligation bonds, and other City transfers.

The City reports the following major proprietary funds:

The *Electric Utility fund* accounts for the operation and maintenance of the City's electric generation and distributions system. The City purchases electricity, and maintains a 65 KW generation capacity. Electric service is provided to more than 7,200 meters both within the City and in surrounding areas, and sold wholesale to a neighboring city.

The *Gas Utility fund* accounts for the operation and maintenance of the City's gas distribution system. The City purchases natural gas, and provides service to approximately 5,066 meters.

The *Water Utility fund* accounts for the operation and maintenance of the City's water treatment plant and the water distribution system. The Winfield City Lake provides an adequate quality water supply

of water to Winfield citizens, providing water to approximately 5,100 meters. The City also provides access to water for five rural water districts and two neighboring towns.

The *Wastewater Utility fund* accounts for the operation and maintenance of the City's wastewater collection system and wastewater treatment plant. The City collects and treats effluent of City residents, providing service throughout the City to approximately 5,000 households.

The City also reports the following fund types:

A *permanent fund* is used to report an endowment restricted to the perpetual care of municipal cemeteries.

Capital project funds are used to account financial resources used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis and to account for the City's self-insurance activities.

Agency funds are used to report resources held by the City in a custodial capacity for remittance of fiduciary resources to individuals, private organizations or other governments. The City has three agency funds – Sales tax: to collect and pass through sales taxes, Payroll claims: to collect and pass through payroll related liabilities and taxes and Flex Medical Fund to collect and pass through flexible benefit contributions.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes between the City's enterprise funds and the general fund. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include [1] charges to customers or applicants for goods, services, or privileges provided, [2] operating grants and contributions, and [3] capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these criteria are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments. In addition to City-owned money-market and checking accounts, investments of the pooled accounts consist primarily of certificates of deposits and repurchase agreements until September 30, 2012. For the remainder of the year, it consisted primarily of certificates of deposits. Interest income is allocated to the

appropriate funds, based on the ratio of each individual fund cash balance to the total cash balance. The City has no formally adopted investment or credit risk policy although the City's primary objective of investment activities are in order of priority; safety, liquidity, and rate of return. Idle funds of the City are invested according to state statutes. The City manages its exposure to fair value losses arising from increasing interest rates by requiring that maturities be staggered in a way that avoids undue concentration of assets in a specific maturity sector and that that investments be sufficiently liquid to meet all operating requirements which may be reasonably anticipated.

E. Property Taxes and Other Receivables

In accordance with State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred revenue on the balance sheet of the appropriate funds. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Recognized State-shared taxes represent payments received during the current fiscal period, and amounts collected or due to the State on behalf of the City at year-end.

Federal and state grant aid is reported as revenue when the related reimbursable expenditures are incurred. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

F. Revenue Recognition for Proprietary Funds

The proprietary funds follow the policy of recognizing revenue on sales when services are rendered. The electric, gas, water, refuse, wastewater, and storm water drainage utilities recognize revenues for unbilled services. All users, including other City departments, are charged for services provided by the respective proprietary funds. Account receivable represent uncollected charges (both billed and unbilled) at December 31, net of amounts estimated to be uncollectible.

G. Special assessments receivable

State statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds, which are secured by the full faith, and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as revenue in the debt service fund. State statutes allow levying additional ad valorem property taxes in the City's debt service fund to finance delinquent special assessments receivable, if necessary. Special assessments receivable are accounted for within the debt service fund. Special assessments are levied over a ten-year period and the annual installments are due and payable with annual ad valorem property taxes. Delinquent assessments against property benefited by special assessments constitute a lien against such property. When assessments are two years in arrears, they may be collected by foreclosure. At December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the debt service fund with a corresponding amount recorded as deferred revenue.

H. Inventories, Advances, and Prepaid Expenses

As a general rule, inventories and prepaid expenses that benefit future periods, other than those recorded in the proprietary fund types, are recorded as expenditures during the year of purchase. Inventories are stated at the lower of cost or market, cost being determined by the average unit cost method.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than $500, and dependent on the type of asset. Donated capital assets are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

With the implementation of GASB Statement 34, the City has recorded all its public domain (infrastructure) capital assets placed in service after January 1, 1980, which includes roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems.

Interest incurred during the construction phase of capital assets of business-type assets is included as part of the capitalized value of the assets constructed. During 2012, the City had no net interest costs subject to capitalization.

Major outlays for capital assets and improvements are capitalized as projects are completed. For proprietary funds, interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

		Asset	Life (Years)
For all funds:		Buildings and improvements	40-50
		Equipment	5-15
		Vehicles	8
		Meters	20-30
Specific to governmental activities:			
		Asphalt and concrete streets	40-50
		Sidewalks and curb/gutter	40-50
		Park/recreational infrastructure	20-30
Specific to business-type activities:			
	Electric utility	Electric generation plants	30-35
		Transformers	15-20
		Electric poles	25
		Conductors/related equipment	35
	Gas utility	Gas lines/infrastructure	40-75
	Water utility	Water treatment plant	30-50
		Water lines/infrastructure	30-65
	Sewer utility	Sewer lines/ infrastructure	50-75
		Life stations	25

Capital assets not being depreciated include land and construction in progress.

J. Payments in Lieu of Franchise Fees

The electric, gas, water, and refuse utilities pay monthly in lieu of franchise fees monthly to the general fund, in amounts ranging from 4% to 6.9% of gross sales. The ‘payments in lieu of’ mirror the payments in lieu of assessed to external utilities providing services within the City, such as telephone and cable services, and are reflected as interfund transfers in the financial statements, in accordance with GASB-S34: 112b (1).

K. Compensated Absences

1) **Vacation** - All permanent full-time employees of the City are eligible for vacation benefits. Employees with less than ten years employment service for the City have vacation days accumulated at the rate of one day for each month of employment, with a maximum of eighteen days. If employed ten years or more, the rate is one-and-a-half days per month, with a maximum of twenty-four days. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements.

2) **Sick Leave** - Sick leave is accumulated at the rate of one day per month, regardless of the length of employment, with the accumulated carryover not to exceed ninety days. Accumulated sick leave is not paid to employees separating from service, prior to retirement. No liability is reported in the financial statements of accrued sick leave, unless an employee in entitled to the payout due to retirement.

3) **Sick Leave Reserve** – Employees who have accrued the maximum ninety days of sick leave are eligible to accrue sick leave in a reserve account. Reserve sick leave is credited for 25% of each eight hours sick leave that would have accrued had the ninety days maximum accrual not been reached. There is no maximum as to the number of reserve sick leave hours that may be accumulated, and sick leave reserve hours accumulated by employees eligible for retirement are reflected as accrued liabilities in the financial statements.

4) **Sick Leave Bonus** – Any permanent full time employee who has reached the maximum ninety days sick leave accrual is eligible for the annual sick leave bonus program. For each pay period that an employee begins and ends with ninety days maximum accrued sick leave, they accrue one hour's pay at the regular rate of pay. This bonus is paid out to those employees annually.

L. Statement of Cash Flows

The reporting entity defines cash and cash equivalents used in the statement of cash flows as all cash and temporary investments (both restricted and unrestricted).

M. Estimates

Preparation of financial statements in conformity with GAAP requires making estimates and assumptions that affect: [1] the reported amounts of assets and liabilities, [2] disclosures such as contingencies, and [3] the reported amounts of revenues and expenditures or expenses included in the financial statements. Actual results could differ from those estimates.

N. Pending Governmental Accounting Standards Board Statements Affecting Financial Statements

As of December 31, 2012, the Governmental Accounting Standards board (GASB) had issued the following statements but have not been implemented by the City. These GASB statements that may impact the City include:

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was issued in June 2012. This statement establishes accounting and financial reporting by state and local governments for pensions, including entities that participate in cost-sharing multiple-employer plans. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equipment arrangements that meet certain criteria. Also, this statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For example, cost-sharing employers participating in KPERS, such as the City of Winfield, will be required to record their proportionate share, as defined in Statement No. 68, of the KPERS unfunded pension liability. While management of the City has not yet estimated their share of the KPERS liability, it is presumed that the amount will be material to the City's financial statements. The provisions of this statement are effective for financial statements for fiscal year ending December 31, 2015.

GASB Statement No. 69, "Government Combinations and Disposals of Government Operations", was issued in January 2013. This statement establishes accounting and financial reporting standards related

to government combinations and disposals of government operations. As used in this statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. Government mergers include combinations of legally separate entities without the exchange of significant consideration. This statement requires the use of carrying values to measure the assets and liabilities in a government merger. Conversely, government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. This statement requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations. A disposal of a government's operations results in the removal of specific activities of a government. This statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This statement requires disclosures to be made about government combinations and disposals of government operation to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this statement are effective for financial statements for the County's fiscal year ending December 31, 2016 with earlier application encouraged.

O. Implemented Governmental Accounting Standards Board Statements Affecting Financial Statements dated December 31, 2012

Effective January 1, 2012, The City implemented the GASB statement No. 63 "Financial Reporting of deferred Outflows of Resources, Deferred Inflows of Resources and Net Position". This statement provides guidance for reporting deferred outflows and deferred inflows of resources. A deferred outflow of resources is the consumption of net position that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position applicable to a future reporting period. The City identified current financial statement balances that met the definition of a deferred outflow of resources or a deferred inflow of resources. These items were reclassified as applicable. Also, the term "Net Assets" was replaced with the term "Net Position."

2. Budgetary Control

Applicable Kansas Statutes require that annual budgets be legally adopted for all funds (including proprietary funds) unless exempted by a specific statute. Funds exempted from legally adopted budgets include all capital project funds (including capital projects of proprietary funds); three special revenue funds: the grants and contributions fund, the energy manager grant fund, and the equipment reserve fund; the electric depreciation reserve fund; all agency and fiduciary funds; and five internal service funds: the A/R financing fund, risk management reserve fund, workers' compensation reserve fund, health insurance reserve fund, and the short-term disability reserve fund. Controls over spending in funds that are not subject to legal budgets are maintained by the use of internal spending limits established by management, federal regulations, or other statutes. K.S.A. 79-2926 et seq. provide for the following sequence and timetable in the adoption of the legal annual operating budget:

[1] Preparation of the budget for the succeeding calendar year on or before August 1 of each year.

[2] Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5 of each year. A minimum of ten days' notice of public hearing, published in local newspaper, on or before August 15 of each year.

[3] Adoption of the final budget on or before August 25 of each year.

K.S.A. 79-2927 requires that all money to be raised by taxation and from all other sources for the ensuing budget year must be appropriated. The law does not permit an appropriation for sundry or miscellaneous purposes in excess of ten percent of the total. The budget for each fund with tax levies may include a non-appropriated balance not to exceed five percent of the total of each fund.

Kansas statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. In accordance with Kansas statutes, the legal level of control for the City is established at the individual fund level, also permitting the transfer of budgeted amounts from one object or purpose to another within the same fund. All annual appropriations lapse at the end of the year, except for outstanding encumbrances, which carryover to the following fiscal year. Kansas statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of hearing to amend the budget. Ten days after publication, a public hearing is held and the governing body may amend the budget at that time. Budgetary data presented in the financial statements represent the original budgeted amounts, and reflect any revised budgeted amounts in a separate column. The City had budget revisions for five funds in 2012.

3. Budget/GAAP Reconciliation – General Fund

Budgets are prepared on a basis (budgetary basis) different from generally accepted accounting principles (GAAP basis). For budgeting, revenues are recognized when received. Expenditures include cash disbursements, payables, and encumbrances (purchases orders, contracts, and other commitments). Encumbrances are reflected as a reservation of fund balance (GAAP) as opposed to the equivalent of expenditures (budgetary). Adjustments necessary to convert the net change in fund balances and the ending fund balances from GAAP basis to budgetary basis for the general fund is as follows:

	Net change in fund balance
GAAP basis	$ 187,739
Accrued revenue:	
December 31, 2012	(210,941)
December 31, 2011	212,456
Encumbrances:	
December 31, 2012	(16,718)
December 31, 2011	8,717
Advances to other funds	
December 31, 2012	(20,265)
December 31, 2011	(20,265)
Budgetary basis	$ 140,723

4. Fund Balance Deficits

At December 31, 2012, fund balance deficits were as follows:

	Fund Balance Deficit
Capital Projects Fund	
Country Club Villa Improvements	$ (42,980)

The Country Club Villa Improvements fund was created in 2008, and the City has authority to issue bonds on this project. At December 31, 2012, this project is in a holding status.

5. Compliance with Kansas Statutes

A. City of Winfield management is aware of noncompliance with Kansas statute 10-130, which requires the City to remit payment to the state fiscal agent at least 20 days before the day of maturity on any bonds or the interest thereon. General Obligation Bond Series 2003-A BI. A wire payment was received by the Office of the State Treasurer August 16, 2012. September 1, 2012 was the due date. General Obligation Bond Series 2002-B BI. A wire payment was received by the Office of the State Treasurer August 16, 2012. September 1, 2012 was the due date. The balance due on these bonds at December 31, 2012 is zero.

6. Pooled Cash Deposits and Investments

At year end, the reporting entity's deposits and investments were comprised of the following:

	Cash Held by Primary Government	Component Units	Total
Cash on hand	$ 3,100	$ -	$ 3,100
Bank deposits	12,804,601	809,232	13,613,833
Total	$ 12,807,701	$ 809,232	$ 13,616,933

Reconciliation to Statement of Net Position:	
General fund	$ 407,965
Capital Projects fund	705,709
Capital improvements fund	23,685
Special revenue funds	945,442
Debt service fund	208,426
Permanent fund	6,000
Enterprise funds	9,017,003
Internal service funds	1,342,829
Total pooled cash and investments	12,657,059
Enterprise funds - restricted	-
Total primary government	12,657,059
Fiduciary funds	150,642
Component units	802,267
Fiduciary funds of component units	6,965
Grand Total	$ 13,616,933

Custodial Credit risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City's policy is to collateralize the demand deposits with securities held by the financial institution's agent and in the City's name. At December 31, 2012, the City's deposits were insured by federal depository insurance and uninsured deposits were fully collateralized in accordance with the City's policy.

Collateral

Below is a comparison of the City's deposits balances to banks' collateral amounts at December 31, 2012:

Market value of securities, held as collateral by banks' third party trustees	$ 17,499,552
FDIC coverage	1,000,000
Total coverage	18,499,552
Total City cash deposits, per bank	13,016,945
Excess coverage, December 31, 2012	$ 5,482,607

Investments

State laws (K.S.A. 12-1675—12-1677) allow monies, not otherwise regulated by statute, to be invested in:

a. Temporary notes of the City of Winfield
b. Time deposits, open accounts or certificates of deposits with maturities of not more than four years
c. Repurchase agreements with commercial banks, state or federally chartered savings and loan associations, which have offices located in the City
d. U.S. treasury bills or notes with maturities not exceeding four years
e. U.S. government-agency securities with a maturity of not more than four years that do not have any more interest rate risk than U.S. government obligations or similar maturities
f. The municipal investment pool fund operated by the State Treasurer

State law (K.S.A. 10-131) allows investment of the proceeds of bonds and temporary notes in the following, in addition to those stated above:

g. U.S. Government and agency obligations
h. Time deposits with banks and trust companies
i. FNMA, FHLB and FHLMC obligations
j. Collateralized repurchase agreements
k. Mutual funds with portfolios consisting entirely of obligations of the U.S. government, U.S. Government agencies, FNMA, FHLB, and FHLMC
l. Certain Kansas municipal bonds

Credit Risk and Concentration of Credit Risk

The City's investment option types are very limited, which inherently reduces credit risk. State statutes do not address concentration of credit risk. The City invests monies based on highest interest rate bids from local banking institutions. Below is a summary of the City's investments at December 31, 2012:

Investment Type	Amount	Percentage
Collateralized Time deposits	$7,900,000	100%

Interest Rate Risk

The City has no formal written investment policy addressing interest rate risk. As a means of minimizing the risk that the market value of securities in the portfolio will decline due to the changes in general interest rates, the City structures its portfolio so that securities will mature to meet cash requirements for ongoing operations, investing primarily in securities with maturities of two years or less in time deposits.

As of December 31, 2012, the City's investments portfolio had the following investments and maturities:

Investment Type	Total	6 months or less	6 to 12 months	12 to 24 months
Cash and Time Deposits	$7,900,000	$4,400,000	$2,000,000	$1,500,000

7. Receivables

A. Utility Receivables

The City operates six utilities. Prior to 2008, the utility receivables were "sold", for the estimated net amount collectible, to a consolidated Accounts Receivable Financing Fund. Beginning in 2008, a new utility billing software system allows the City to track utility receivable activity for each individual utility fund. Below is a summary of the utility receivables at December 31, 2012:

	Utility Receivables	Less provision for uncollectible accounts	Net Utility Receivables
Electric Utility	2,198,426	(253,264)	1,945,162
Gas Utility	801,718	(74,494)	727,224
Water Utility	274,307	(27,896)	246,411
Refuse Utility	144,852	(18,033)	126,819
Wastewater Utility	236,679	(25,657)	211,022
Stormwater Utility	17,909	(2,150)	15,759
Receivables reflected in Utility Funds	3,673,891	(401,494)	3,272,397
Plus Accounts receivable Financing Fund	184,391	(146,288)	38,103
Total Utility receivables, net of provision for uncollectible accounts	3,858,282	(547,782)	3,310,500

The total bad debt expense on utility receivables for the fiscal year 2012 amounted to $80,690, and is allocated to the utility funds in proportion to their utility receivable balances.

B. Long-term Receivables

The City entered in several interlocal agreements in prior years with other local governmental entities, related to debt financing and repayment arrangements. The City included project costs of these entities in general obligation bond issues, and the interlocal agreements provide for repayment of the principal, interest, and issuance costs to the City over set time periods. These receivables are included in governmental activities of the "Statement of Net Position". Because the receivables are not considered to be available to liquidate liabilities of the current fiscal year, they are not reflected in the debt service fund in the Governmental Funds Balance Sheet.

Below is a summary of the receivables as of December 31, 2012:

	Total Payments Due	[2] Strother Field Ind Park	[3] Winfield USD #465
2013	12,812	6,435	6,377
2014	12,811	6,434	6,377
2015	12,812	6,435	6,377
2016	6,378	-	6,378
2017	6,378	-	6,378
2018	6,378	-	6,378
	$ 57,569	$ 19,304	$ 38,265

[1] Winfield Public Library is a discrete component unit of the City, and is reflected on the government-wide Statement of Net Position as 'Due from Component Units.'
[2] Strother Field Industrial Park is jointly owned by the City, with the City of Arkansas City, described further in note 1.A.3.
[3] Winfield USD #465 is the local school district.

C. Economic Development Loan Receivable

In January 2011, the City sold Baden Hall, an unoccupied building, to Baden Hall Limited Partnership (developer) for $1. The building was rehabilitated and developed into a 24-unit residential rental property for households with low and moderate income. In addition, the City agreed to a 30-year no-interest loan of $248,000 to the developer. The contract was structured to require no loan payments until the end of the thirty years. The loaned funds consist of prior years' private donations to the "Baden Hall Preservation Committee for the Preservation and Renovation of Baden Hall". Because the loaned funds are not available to finance expenditures of the current fiscal year, there is a corresponding liability for deferred revenue.

8. Deferred Revenues

Governmental funds report deferred revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Below is a summary of the deferred revenue reported in the governmental funds:

Fund	Unavailable
Property taxes receivable	
General	$ 2,403,056
Debt Service	602,512
Other Governmental	570,118
Special assessments receivable	
General	50,989
Debt Service	2,541,461
Unearned revenues	
General	248,000
Debt Service	57,468
Total	$ 6,473,604

9. Changes in Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2012 was as follows:

	Balance January 1	Capital Acquisitions	Dispositions	Transfers/ Reclassifications	Balance December 31
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,903,464	$ -	$ -	$ -	$ 1,903,464
Construction in progress	39,662	-	-	-	39,662
Total capital assets, not being depreciated	$ 1,943,126	$ -	$ -	$ -	$ 1,943,126
Capital assets, being depreciated:					
Buildings	$ 9,632,285	$ 70,820	$ -	$ -	$ 9,703,105
Other improvements/infrastructure	21,513,503	3,650,814	-	-	25,164,317
Machinery and equipment	9,040,351	533,047	(279,921)	20,355	9,313,831
Total capital assets, being depreciated	40,186,139	4,254,681	(279,921)	20,355	44,181,253
Less accumulated depreciation for:					
Buildings	(3,381,810)	(27,487)	-	-	(3,409,297)
Infrastructure	(5,289,569)	(70,827)	-	-	(5,360,396)
Machinery and equipment	(6,398,760)	(934,803)	293,473	(32,271)	(7,072,361)
Less accumulated depreciation	(15,070,139)	(1,033,117)	293,473	(32,271)	(15,842,054)
Total capital assets, being depreciated, net	$ 25,116,000	$ 3,221,564	$ 13,552	$ (11,916)	$ 28,339,199

	Balance January 1	Additions	Deletions	Transfers/ Reclassifications	Balance December 31
Business activities:					
Capital assets, not being depreciated:					
Land	$ 827,527	$ -	$ -	$ -	$ 827,527
Construction in Progress	10,000	.	(10,000)	-	-
Total capital assets, not being depreciated	$ 837,527	$ -	$ (10,000)	$ -	$ 827,527
Capital assets, being depreciated:					
Buildings	$ 12,300,024	$ 70,820	$ (395)	$ -	$ 12,370,449
Other improvements/infrastructure	57,806,942	988,530	(1,770)	-	58,793,702
Machinery and equipment	29,907,869	151,838	(366,163)	(29,724)	29,663,820
Total capital assets, being depreciated	100,014,835	1,211,188	(368,328)	(29,724)	100,827,971
Less accumulated depreciation for:					
Buildings	(6,970,654)	(442,722)	395	-	(7,412,981)
Infrastructure	(26,279,086)	(1,263,539)	831	-	(27,541,794)
Machinery and equipment	(19,372,164)	(984,963)	345,186	32,271	(19,979,670)
	(52,621,904)	(2,691,224)	346,412	32,271	(54,934,445)
Total capital assets, being depreciated, net	$ 47,392,931	$ (1,480,036)	$ (21,916)	$ 2,547	$ 45,893,526

10. Depreciation Allocations

Depreciation expense in 2012 was charged to function/programs of the primary government, as follows:

Governmental activities:	
General government	$ 176,584
Public safety	208,337
Public works	346,126
Cemetery	7,740
Cutlure and recreation	294,330
Total depreciation expense - governmental activities	$ 1,033,117
Business-type activities:	
Electric	1,320,915
Gas	135,388
Water	446,711
Refuse	33,796
Wastewater	639,858
Golf course	114,556
Total depreciation expense - business-type activities	$ 2,691,224

11. Capital Projects

At December 31, 2012, the City had the following major improvement/construction projects in progress:

	Amount Authorized	Expenditures Project To-Date	Construction Commitments at 12-31-12
[a] Country Club Villa Water, Streets, Sewer and Drainage Improvements	$ 177,000	$ 42,980	$ -
[b] Water tower cleaning and re-painting	562,062	523,015	-
			-
[c] Gottlob Business Park Construction	3,393,858	3,091,191	40,059

[a] The City has authorization for debt funding. The project is to be financed with special assessments and general obligation bonds. The project was placed on hold in 2009.

[b] The project was originally to be funded with cash. Project was grouped with Gottlob Business Park Construction project with a General Obligation Temporary Note issue of $3,960,000. $546,610.49 was authorized for the water tower project. This project was completed in 2012.

[c] In April 2012, the City established Gottlob Business Park, an industrial and economic development project of approximately 100 acres. The new park is adjacent to the existing Winfield Industrial Park. A development agreement was made with Insite Winfield LLC for the City to provide road improvements, and, electric, water, sewer, and gas utility improvements to a 40 acre area, owned by Insite Winfield LLC. In conjunction with this project, the City purchased 60 acres of land, adjoining the Insite land. This land is to be held for future industrial and economic development. The City issued General Obligation Temporary Notes issue of $3,960,000 for this project. $3,410,000 was authorized for this project in addition to a state capital grant of $1,000,000 and Federal exchange funds in the amount of $47,152.

12. General Obligation Temporary Notes Series 2012-1

Kansas law permits the issuance of temporary notes to finance certain capital improvement projects which will be refinanced with general obligation bonds. Prior to the issuance of the temporary notes, the City must take the necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance. These notes were issued for two projects. The Gottlob Business Park, an industrial and economic development project of approximately 100 acres and the Water tower refurbish project. Both projects were completed in 2012. The maturity date for these temporary notes is August 1, 2014. Below is a listing of temporary notes payable at December 31, 2012:

Interest Rate	Balance December 31
0.80%	$3,960,000

13. Long-Term Debt

A. Capitalized Lease Obligations

The City has entered into lease agreements as lessee for financing the purchase of several assets. Such leases qualify as capital leases for accounting purposes and, accordingly, have been recorded at the present value of the minimum payments at the date of lease inception. The total cost of those assets being purchased through capital leases amount to $3,907,845. Of that total, $602,845 is governmental activities assets, and $3,305,000 is business type activities assets. Below is a listing of the capital leases payable at December 31, 2012.

	Interest Rate	Balance December 31
Governmental activities		
Aerial fire truck	4.57%	$ 460,000
Street sweeper	3.75%	37,747
Business activities		
Wastewater treatment plant	2.20%	3,063,898

The annual debt service requirements to maturity for capital lease obligations are as follows:

Year Ending Dec 31	Governmental Activities		
	Principal		Interest
2013	160,060	$ 149,163	$ 10,897
2014	120,890	113,892	6,998
2015	120,889	116,178	4,711
2016	120,889	118,503	2,386
2017	-	.	-
	522,728	$ 497,736	$ 24,992

Year Ending Dec 31	Business-Type Activities		
	Principal		Interest
2013	548,239	$ 482,886	$ 65,353
2014	548,239	493,665	54,574
2015	548,239	504,685	43,554
2016	548,238	515,951	32,287
2017	548,239	527,469	20,770
2018	548,239	539,244	8,995
	3,289,433	$ 3,063,900	$ 225,533

B. Capital Lease Refinancing

In February 2012, the City refinanced the capital lease for the aerial fire truck, lease balance $460,000, with a local banking institution. The lease length and principal amount were not adjusted. The refinancing created a net cash flow savings of approximately $20,000.

In March 2012, the City refinanced the balance of the KDHE wastewater treatment plant loan, 3,280,104, with a consortium of four local banking institutions. The refinancing resulted in a capital lease purchase agreement, in the amount of $3,305,000. Two CD's in the amount of $1,900,000 is being used as collateral for this capital lease. The lease term length was not adjusted. Net cash flow savings amounted to approximately $76,880.

C. General Obligation Bonds Payable

General obligation bonds outstanding at December 31, 2012 are as follows:

		Interest Rate	Final Maturity Date	Total 12/31/2012
[1]	Series 2005A GO	3.70-4.30	2021	585,000
[2]	Series 2005B GO refunding	3.35-4.00	2019	1,285,000
[3]	Series 2006A GO	3.60-4.50	2021	675,000
[4]	Series 2008A GO	3.625-4.3	2026	3,635,000
[5]	Series 2010A GO refunding	2.00-3.10	2025	7,165,000
[6]	Series 2012A GO refunding	.80-1.60	2018	1,520,000
				$ 14,865,000

[1] Series 2005A GO bonds provided financing for several benefit district projects. Special assessments against the benefit districts' landowners will repay the City the debt costs over a fifteen year period.

[2] Series 2005B GO refunding issue refunded a portion of outstanding 1999A GO bonds. Those bonds financed Meyer hall, the Broadway Recreation Complex, and two special assessment districts.

[3] Series 2006A GO bonds financed the City's Utt business park, and three special assessment districts.

[4] Series 2008A GO bonds four special assessment districts (Cottonwood Court, Hiatt Hills, Morningview Acres, Thomas Canyon), zoysia grass replacement at the City's Quail Ridge golf course, and street/stormwater improvement projects.

[5] Series 2010A GO refunding bonds provided financing for two street improvement projects, and provided current refunding for two KDHE water loans, the 2002A GO bonds, and two KDOT street improvement loans.

[6] Series 2012A GO refunding issue refunded Series 2002B GO Bonds which refunded the 1996 Series 154 bonds that financed the aquatic center and three special assessment districts. This bond also refinanced Series 2003A GO bonds which provided financing for municipal building capital improvements and a section of Bliss Street drainage and street improvements.

All of the above general obligation bonds are capital-related debt of the governmental activities.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending Dec 31	Total	Principal	Interest
2013	$ 2,102,000	$ 1,675,000	$ 427,000
2014	2,124,360	1,740,000	384,360
2015	2,110,807	1,770,000	340,807
2016	1,884,570	1,590,000	294,570
2017	1,650,347	1,400,000	250,347
2018-2022	5,724,502	5,045,000	679,502
2023-2027	1,735,735	1,645,000	90,735
	$ 17,332,321	$ 14,865,000	$ 2,467,321

D. Other Long-Term Debt

The City has interlocal agreements with the City of Arkansas City, Kansas related to two joint projects – construction of a county-wide animal shelter and extension of water and sewer services for business expansion. The agreements provide for the City of Winfield to make annual payments to Arkansas City for an agreed-upon share of the costs. The City's general fund provides funding for these payments.

Below is a summary of these liabilities at December 31, 2012:

	Governmental Activities
Animal shelter	$ 26,104
Water/sewer extensions	6,490
	$ 32,594

The contractual payments to maturity of these interlocal agreements are as follows:

Year Ending Dec 31	Total
2013	$ 32,594
2014	-
	$ 32,594

E. Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2012 is as follows:

	Balance January 1	Additions	Payments	Balance December 31	Due within one year
Governmental Activities					
General obligation bonds	$ 10,373,106	$ 1,520,000	$ 2,802,085	$ 9,091,021	$ 1,248,212
Capital leases	662,993	460,000	625,246	497,747	165,600
Temporary Notes	-	3,410,000	-	3,410,000	-
KDOT loans	36,414	-	36,414	-	-
Interlocal agreement debt	65,188		32,594	32,594	32,594
Net unamortized premiums	18,277	-	2,446	15,831	2,446
Employee compensated absences	313,831	26,327	-	340,158	179,971
Net other post employment benefits obligation	128,576	45,533	-	174,109	-
Total long-term liabilities - governmental activities	$ 11,598,385	$ 5,461,860	3,498,784	$ 13,561,461	$ 1,628,823

	Balance January 1	Additions	Payments	Balance December 31	Due within one year
Business-type Activities					
KDHE loans	$ 3,498,988	$ -	3,498,988	$ -	$ -
General obligation bonds	6,196,894	-	422,915	5,773,979	422,915
Temporary Notes	-	550,000	-	550,000	-
Capital leases	8,653	3,305,000	249,755	3,063,898	249,755
Net unamortized premiums	47,990	-	3,880	44,110	3,880
Employee compensated absences	353,726	261,331	243,129	- 371,928	224,973
Net other post employment benefits obligation	140,906	41,967	-	- 182,873	-
Total long-term liabilities - business-type activities	$ 10,247,157	$ 4,158,298	4,418,667	$ 9,986,788	$ 901,523

Generally, compensated absences are liquidated by the specific governmental funds that pay the employees' salaries and benefits.

F. Conduit Debt Obligations

From time to time the City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. In 2012, $16,780,579 of conduit debt was paid off which included a $16,000,000 pay off of Insite LLC. In addition, Rubbermaid added $41,323,965 to the total. At December 31, 2012, there were nine series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of $49,389,460.

14. Short-term Investments

At December 31, 2012, the City had no short-term debt obligations.

15. Interest Expense

Below is a summary of the interest expense related to debt for the fiscal year 2012:

	Total Interest Expense	Governmental Activities	Business Activities
General obligation bonds	$ 469,202	$ 325,720	$ 143,482
KDOT TRF loans	(454)	(454)	-
KDHE revolving loans	24,645	-	24,645
Capital leases	24,120	12,559	11,561
Certification of Participation	-	-	-
	$ 517,513	$ 337,825	$ 179,688

16. Long-Term Operating Leases

The City leases certain equipment and real estate under long-term non-cancelable operating leases from third-party vendors. Below is a summary of the non-cancelable minimum future rental payments at December 31, 2012:

Year Ending December 31	Total	Governmental Activities	Business-type Activities
2013	36,387	27,987	8,400
2014	26,252	17,852	8,400
2015	26,252	17,852	8,400
2016	8,400	-	8,400
2017	8,400	-	8,400
2018	6,300	-	6,300
Total minimum future rentals	$ 111,991	$ 63,691	$ 48,300

Expenditures in the government-wide governmental and business-type activities for 2012 include $27,946 and $8,400 respectively, of operating lease payments.

17. Inter-fund Transfers

Interfund transfers reflect the flow of resources from one fund to another fund, generally from the fund in which the resources are received or reside to the fund in which the resources will be expended. All transfers were budgeted transfers, transfers of resources to the funds actually expending the funds, or construction fund balances transferred to the bond and interest fund for debt repayment. Below is a summary of 2012 inter-fund cash transfers:

Transfers from	Transfers to: General	Bond and Interest	Capital Improv	Nonmajor Govt'l
Primary Government:				
General	$ -	$ -	$ 873,242	$ 291,831
Capital Improv	75,000	623,349	-	-
Nonmajor Govt'l	-	75,000	30,537	17
Electric	2,153,045	-		20,000
Gas	227,247	-	-	20,000
Water	131,571	-	-	46,698
Refuse	65,103	-	-	-
Stormw ater	-	20,000	-	-
Internal Service	16,250			1,500
Total Reporting Entity	$ 2,668,216	$ 718,349	$ 903,779	$ 380,046

Transfers from	Transfers to (continued): Major Enterprise	Electric Dep Reserve	Nonmajor Enterprise	Internal Service	Totals
General	$ -	$ -	$ -	$ -	$ 1,165,073
Capital Improvements	-	-	-	-	698,349
Nonmajor Governmental	1,164	-	-	-	106,718
Electric	-	540,000	-	17,000	2,730,045
Gas	-	-	164,900	2,900	415,047
Water	-	-	-	-	178,269
Refuse	-	-	-	-	65,103
Stormw ater	-	-	-	-	20,000
Internal Service	14,000	-	3,000	8,000	42,750
Total Reporting Entity	$ 15,164	$ 540,000	$ 167,900	$ 27,900	$ 5,421,354

In addition, the City transferred funds to the following component units in 2012:

Transfers from	Winfield Public Library	Winfield Emer Mgmt Services
Primary Government:		
Library Fund	$ 492,249	-
General Fund	-	$ 283,000

18. Interfund Receivables/Payables

A. Advances to/Advances from Other Funds

The City utilizes two internal service funds to account for utility receivables (see note 7.A.) and fleet management inventories. Advances from the general fund and the enterprise utility funds were used to create the internal service funds. These advances are considered to be long-term, and the intent is not to repay these amounts within one year. Below is a summary of the advances to the internal service funds:

	Interfund Advances from	Interfund Advances to
Governmental funds:		
General Fund	$ 20,265	$ -
Business-type funds:		
Electric	149,026	-
Gas	6,645	-
Water	2,970	-
Sewer	4,912	-
Subtotal	183,818	-
Nonmajor business-type funds:		
Refuse	7,620	-
Subtotal	7,620	-
Internal Service funds:		
Fleet management	-	70,000
Sales tax agency		83,345
Utility receivables financing	-	38,093
Subtotal	-	191,438
Total	$ 191,438	$ 191,438

19. Net Position and Fund Balances

A. Net Position

Net Position is the excess of all the City's assets over all its liabilities, regardless of fund. Net Position is divided into three captions under GASB Statement 34. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

Net Investment in capital assets describes the portion of Net Position, which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position whose use is not subject solely to the City's own discretion. This includes resources subject to externally imposed restrictions, such as creditors, grantors, contributors, other governments' regulations, and other enabling legislation. Included in governmental-type restricted assets is $580,407 of net position restricted by legally enforceable enabling legislation

Unrestricted describes the portion of Net Position that is not restricted as to use.

It is the City's policy to apply restricted resources prior to the use of unrestricted resources, when the option is available.

B. Fund Balances

Government Accounting Standards Board (GASB) 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* became effective for the City beginning with fiscal year 2011. The purpose of GASB Statement 54 is to improve the reporting of fund balance. This statement also clarifies certain terms used in the definition of existing governmental fund types so that classifications are more easily understood and can be applied consistently between information reported din the government-wide financial statements and the governmental fund financial statements.
In accordance with GASB Statement 54, the City classifies governmental fund balances as follows:

1. Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

2. Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

3. Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, the city commission, and do not lapse at year-end. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally (ordinance).

4. Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balances may be assigned by city management.

5. Unassigned includes positive fund balance within the general fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The governmental fund balance classifications and amounts at December 31, 2012, are shown in the following table:

	Total Governmental Funds	General	Bond and Interest	Capital Improvements	Other Non-major Governmental
Nonspendable:					
Advance to Other Funds	$ 20,265	$ 20,265	$ -	$ -	$ -
Cemetery	6,000	-	-	-	6,000
	26,265	20,265	-	-	6,000
Restricted for:					
Capital Improvements	108,384	-	-	108,384	-
Court Programs	673	-	-	-	673
Culture/Recreation	88,500	-	-	-	88,500
Debt Service	208,426	-	208,426	-	-
Drug/Alcohol Programs	8,624	-	-	-	8,624
Energy Grant	-	-	-	-	-
Equipment Acquisition	86,418	-	-	-	86,418
Legal/Uninsured Liabilities	237,472	-	-	-	237,472
Levee Maintenance	59,414	-	-	-	59,414
Library	-	-	-	-	-
Police/Public Safety	16,058	-	-	-	16,058
Tourism Development	83,248	-	-	-	83,248
	897,217	-	208,426	108,384	580,407
Committed for:					
Capital Improvements	-	-	-	-	-
Cemetery Improvements	93,911	-	-	-	93,911
Fairgrounds Improvements	87,967	-	-	-	87,967
Streets Maintenance	73,478	-	-	-	73,478
Water Quality Programs	51,298	-	-	-	51,298
	306,654	-	-	-	306,654
Assigned for:					
Capital Projects	673,460	-	-	-	673,460
Senior Citizens Programs	6,831	-	-	-	6,831
	680,291	-	-	-	680,291
Unassigned	464,836	464,836	-	-	-
Totals	$ 2,375,263	$ 485,101	$ 208,426	$ 108,384	$ 1,573,352

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The City does not have a formal minimum fund balance policy.

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executed contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve portion of applicable appropriations. As of December 31, 2012 the City had a total of $1.3 million in encumbrances.

20. Defined Benefit Pension Plan

Plan description

The City of Winfield participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost sharing multiple-employer defined benefit pension plans as provided by Kansas law. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report (only one is issued) that includes financial statements and require supplementary information. Those may be obtained by writing to KPERS (611 South Kansas Avenue, Suite 100, Topeka, KS 66603-3803) or by calling 1-888-275-5737.

Funding policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4-6% of covered salary. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates for KPERS employers. The KPERS employer rate established for the period January 1, 2012 through December 31, 2012 is 8.34%. The City of Winfield employer contributions to KPERS for the years ended December 31, 2012, 2011, and 2010 were $506,121, $425,636, and $394,215, respectively, equal to the statutory required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2012 is 20.15%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The City of Winfield contributions to KP&F for the years ended December 31, 2012, 2011, and 2010, were $440,048, $377,193, and $364,773, respectively, equal to the statutory required contributions for each year.

21. Defined Contribution Plan

The City established a 401(a) money purchase deferred compensation plan in 2004 for the benefit of employees. Employees, who have reached the top step in their position's pay range, and make a minimum contribution of $20 per pay period into the City-sponsored 457 plan, are eligible for employer contributions into the 401(a) plan. The plan provides that the City make a matching contribution, up to $20 per pay period. The City contributed $68,520 to employee accounts in 2012. The City of Winfield administers the plan, and has the authority for establishing and amending the plan's provisions and contribution requirements. Employees have the option of investing contributions in ING Life Insurance and Annuity Company investments (ING) or IMCA-RC investments.

22. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Employees may choose between the State of Kansas ING 457 plan, or the ICMA plan. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Assets of the plan, valued at current market prices, are held in trust for the benefit of the participants.

All amounts of compensation deferred under the plan as well as earnings attributable to those amounts, are solely the property of the participant employees. Accordingly, the assets and related liabilities for the plan are not recorded in the accompanying financial statements.

Flexible Benefit Plan (I.R.C. Section 125)

The City Commission has adopted by resolution a salary reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All permanent full-time employees are eligible to participate in the Plan beginning after one full month of employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Benefits offered through the Plan include various and disability benefits. Management elected to contribute $250 to each employee that participated in the flexible benefit plan for coverage of health related costs totaling $42,750.00.

23. Postemployment Health Care Plan

Plan Description
The City sponsors a single-employer defined benefit healthcare plan that provides healthcare benefits to eligible early retires, including medical and dental coverage. K.S.A. 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No separate financial report is issued for the Plan

The City requires retirees to pay the same premiums charged to COBRA participants with a 2% additional charge for administrative expenses. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement 45).

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies.

Funding Policy
GASB Statement 45 does not require funding of the OPEB liability, and the City has chosen not to fund it. City policy dictates the payment of retiree claims as they become due. Plan participants contributed approximately $77,727 to the Plan (102% of total premiums) through their required contribution of $930 per month for family coverage and $357 for retiree-only coverage.

Annual OPEB Cost and Net OPEB Obligation
The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. GASB Statement 45 requires an actuarial study to be performed at a minimum biennially. The latest actuarial valuation date is January 1, 2012. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Plan:

Annual required contribution (ARC)	$ 130,382
Interest on net OPEB obligation	13,474
Adjustment to annual required contribution	(17,531)
Annual OPEB cost (expense)	126,325
Contributions, net	(38,825)
Change in net OPEB obligation	87,500
Net OPEB obligation - beginning of year	269,482
Net OPEB obligation - end of year	$ 356,982

The following table shows the breakdown of the City's annual OPEB liability.

Allocation by Type	OPEB
Governmental funds	174,109
Proprietary funds	182,873
Total	356,982

Funded Status and Funding Progress
The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2012 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Net Employer Contributions	Percentage of OPEB Contributions	Net OPEB Obligation
12-31-2008	$ 96,300	$ 18,334	19.04%	$ 77,966
12-31-2009	18,334	-	0.00%	96,300
12-31-2010	115,269	28,678	24.88%	182,891
12-31-2011	115,269	28,678	24.88%	269,482
12-31-2012	126,325	38,825	30.73%	356,982

As of January 1, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial liability for benefits was $1,068,057, and there was no actuarial value of assets resulting in an unfunded actuarial accrued liability of $1,068,057. The covered payroll (annual payroll of active employees covered by the plan) was $7,875,204, and the ratio of unfunded actuarial accrued liability to the covered payroll was 13.6 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2012 actuarial valuation, the projected unit credit method was applied. The actuarial assumptions included a 5 percent investment rate of return, which is a blended rate of the expected long-term investment returns on the City's pooled funds and investments. The valuation assumed annual healthcare cost trend rates of eight to nine percent in years 2012-2013, and an ultimate rate of seven percent after 2013. Salaries expense and inflation are projected to increase four percent annually. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results. The UAAL is being amortized as a level dollar over an open thirty-year period.

24. Risk Management

The City's insurance coverage consists of both self-insurance and policies maintained with various carriers. The City uses four internal service funds to address four risk areas – general risk management, workers' compensation, health insurance, and short-term disability insurance. The City records liabilities for known claims and estimated liabilities incurred but not reported at year-end. These claims are reflected under accounts payable and accrued liabilities in the internal service funds.

A. Risk Management Reserve

Established in 1987 according to the provisions of K.S.A. 12-2615, this fund provides for paying for insurance premiums, deductibles, excess liability losses, uninsured losses, and insurable losses not otherwise covered. Insurance deductibles vary by type of property insurance coverage. Funding, when determined necessary, for the risk management reserve fund, is provided by annual contributions from other City functions that have an insurable risk based on actuarial computations, provided by an insurance consultant. The City purchases commercial insurance coverage for all substantial areas of risk, including property loss, auto liability, boiler and machinery, general and public officials' liability. Insurance policy premiums are paid through both individual funds and the risk management fund. Insurance settlements did not exceed insurance coverage in 2012 or the prior two years.

The following is a summary in changes of liability activity under the plan for 2012 and the prior two years:

	2012	2011	2010
Liability balance, beginning	$ 11,190	$ 2,601	$ 350
Claims	149,887	161,437	125,914
Less insurance/other reimbursements	(180,903)	(180,903)	(221,279)
Total costs incurred	(19,826)	(16,865)	(95,015)
Less claims paid	22,775	28,055	97,616
Liability balance, ending	$ 2,949	$ 11,190	$ 2,601

B. Workers' Compensation Fund

In past years, the City has maintained a partially self-funded workers' compensation program to cover substantially all full-time and part-time employees of the City. In 2011, the City obtained full workers' compensation insurance coverage through the Kansas Eastern Region Insurance Trust (KERIT). All claims incurred in 2012 are covered through the KERIT insurance coverage.

Workers' Compensation Insurance settlements did not exceed insurance coverage in 2012 or the prior two years. Two employees' cumulative claims stemming from prior years' work-injury incidents did exceed the City's excess claims coverage. All claims related to these two incidents, originating in 1998 and 2001, are being paid through the excess coverage insurance policy, and not a claims liability for the City.

The following represents the changes in the liability activity of the self-funded worker's compensation program for 2012 and the prior two years:

	2012	2011	2010
Liability balance, beginning	$ 101,993	$ 67,252	$ 6,969
Claims incurred	34,532	147,192	155,171
Less insurance coverage reimbursements	(11,551)	(9,381)	(6,969)
Total costs incurred	124,974	205,063	155,171
Less claims paid	(46,358)	(103,070)	(87,919)
Liability balance, ending	$ 78,616	$ 101,993	$ 67,252

C. Health Insurance Reserve

The City created the health insurance reserve in 1993, the purpose to accumulate monies to eventually fund a partially self-insured health insurance program. Funds accumulated may be used to pay excess losses, health claims, partial payments of health insurance premiums for employees, and other miscellaneous health insurance related expenses. Annual funding is provided by contributions from other funds, as determined by management in the budgeting process. Health insurance premiums are paid through this reserve fund, and funding is handled through contributions from other funds. The employee health insurance program is a fully insured program with health insurance offered to substantially all full-time employees of the City. Employee health insurance in 2012 was provided through Blue Cross Blue Shield. At December 31, 2012, the City had $138,306 of net position available for future health insurance premiums. The funds are being retained to stabilize projected premium increases and provide a reserve, if the City should choose to self-insure in the future.

D. Short Term Disability Reserve

This reserve was created in 1997 to provide financial assistance to regular employees following sixty days of continuous disability. The benefit amounts to 50% of pre-disability weekly gross earnings up to a maximum weekly benefit of $650, and is payable to an employee for a maximum of twenty-six weeks immediately following completion of the sixty-day waiting period. An employee may receive this benefit for a maximum of fifty-two weeks over his/her career with the City. At December 31, 2012, the City had $205,937 of net position available for short term disability benefits to employees.

25. Contingencies and Commitments

A. Encumbrances:

At December 31, 2012, the City had the following amounts encumbered:

Governmental-type Funds:	
General Fund	$ 16,718
NonMajor Funds:	
Special Streets	5,202
Water Preservation	10,000
Special Liability	23,465
Grants and contributions	400
Business-type Funds:	
Electric utility fund	257,907
Gas utility fund	567
Water utility fund	4,743
Refuse utility fund	145,471
Wastewater utility fund	11,047
Stormwater utility fund	2,708
Electric Depreciation fund	841,244
Municipal Golf Course	2,783
Internal Service funds:	
Management Services	2,280
Service Center	3,893
Capital Project Funds:	
Gottlob Industrial Park	6,835
Total entity-wide encumbrances	$ 1,335,264

B. Electric Purchase Commitments

Kansas Power Pool

The City became a member of the Kansas Power Pool (KPP), a municipal energy agency, in January of 2005. KPP was created to provide economic benefits to its member cities, through coordination of collective electrical resources, facilities and loads. The city has power supply contracts with the Kansas Municipal Energy Agency (KMEA) for power supply from the Grand River Dam Authority (GRDA), and the Kansas City, Kansas Board of Public Utilities' Nearman Generation. The scheduling responsibilities for those contracts and the City's contract with the Southwestern Power Administration (SPA) have been assigned to KPP. That agency manages power supply on behalf of the City. The contracts with KMEA for GRDA Power and for Nearman Generation are in force through December 31, 2018 and May 31, 2022, respectively. KPP has entered into transmission arrangements with the Southwest Power Pool on behalf of the City. The City terminated its SPA power supply arrangement through KMEA in 2010, and entered into a contract directly with SPA. This contract is in force through May 31, 2025. In September 2011, the City entered into a twenty-year power purchase contract with KPP, to purchase all of the City's required electrical power.

The payment and scheduling responsibilities under all these contracts have all been assigned to KPP, and all billings and payments are handled through KPP. Payment responsibility for each of these contracts remains with the city for the full term of each contract and would be under the respective contract conditions should the city withdraw from KPP.

C. Gas Purchase Commitments

At December 31, 2012, the City was committed to purchase the following gas volumes for 2013:

January – March 2013	165,000 MMBTU @ $575,475

D. Gas Litigation

The City joined together with seventeen other municipalities in 2003 to file a civil action suit under the federal antitrust laws for overcharges in natural gas prices incurred by municipal gas systems that have taken place in the last four years and projected to continue into the future. The complaint was filed against five major natural gas companies. At December 31, 2012, the lawsuit was closed with no monetary developments to disclose.

E. Kansas Disability Coalition Interim Settlement Agreement

The City was party to a lawsuit initiated by the Kansas Disability Coalition in 2006, and agreed to an interim settlement in August 2006. The provisions of the agreement require the City to achieve reasonable compliance with Title II of the American with Disabilities Act of 1990. A final court-approved agreement will be reached after the City completes and adopts a self-evaluation and transition plan for ADA compliance. Implementation of the transition plan will be over a 10 year period. At December 31, 2012, the City has expended $923,380 in costs related to this plan.

F. Other Legal Matters

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when it is probable that a liability has been incurred and the amount can be reasonably estimated. The City is defending its interest in various legal actions and claims against the City presently pending involving various miscellaneous claims, including workers' compensation claims. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. In the opinion of management and its legal counsel, the probability of material aggregate liabilities resulting from these claims will not have an adverse material effect on the City's financial statements.

26. Subsequent Events

A. Interlocal Cooperation Agreement between City of Winfield, City of Arkansas City and the Cowley County Humane Society

In January 2013, the Cities of Winfield and Arkansas City, Kansas renewed an interlocal agreement to jointly operate and fund the Cowley County Humane Society. The purpose of this agreement is to provide for the continuity for the use of the Cowley County Humane Society to temporarily house, care and disperse unwanted or stray animals. Each City and the Society shall continue to have equal one-third (1/3) ownership interest in the shelter facility. Records and reporting are maintained by the Humane Society. The City of Winfield will contribute $32,000 annually.

B. Lease between City of Winfield, USD 465, Southwestern College, Winfield Recreation Commission

In March 2013, The City of Winfield executed a Lease Agreement between the Unified School District 465, Southwestern College, Winfield Recreation Commission and the City of Winfield, Kansas for a tennis court project located at Wittier School.

C. Water Utility Rate Change

In March 2013, The City of Winfield revised amended chapter 34 Fees, Section 78 Utilities (e) Water Service rate of revised ordinance of the City of Winfield Kansas for the increase in water utility rate to cover the minimum debt for maintenance performed on the water tower which totaled $550,000. Meter rates for residential customer would increase by .50 cents per month beginning May 1, 2013 and by another .50 cents per month in 2014. The monthly meter rate will continue to increase each year until

year 2020 at which time the rate will be $9.00 per month. Meter rates will then be set to increase by one percent per month for each year thereafter. The ordinance will also increase water usage rates beginning 2015 by five percent per year until 2020 at which time the rates will increase by one percent each year thereafter.

D. Sales Tax increase

In March 2013, The City of Winfield supported a one-quarter percent sales tax for renovations to the Cowley County South Annex which will house the newly consolidated emergency 911 communications for all Cowley County as well as the County Emergency Operations Center and the County Clerk and Treasurer.

E. Winfield Recreation Commission Tennis Court project

In April 2013, the City of Winfield authorized for the construction of improvements to the Winfield Recreation Center, an existing Public building in the City of Winfield, Kansas; and providing for the payment of the costs thereof. The City of Winfield will be financing $400,000 through General Obligation bonds. In July 2013, the authorization had increased to $500,000. The Winfield Recreation Commission will enter into an agreement with the City in which the Recreation Commission pay all costs associated with this debt.

F. Interlocal Agreement for County-wide Emergency Communications

In May 2013, The City of Winfield authorized to sign and execute an interlocal agreement for Emergency Communications between Cowley County, Kansas, the City of Arkansas City, Kansas and City of Winfield, Kansas for the orderly unification and operation of a county-wide emergency communication system. The Cities will discontinue the operation of separate communication systems effective July 1, 2013 and each will participate in the operation of a joint emergency communication system.

G. Island Park Fire

The Island Park Playground located in north Winfield, Kansas was destroyed by fire on March 14, 2013. Damage sustained to the playground totaled $732,250 of which $634,361 was recovered from EMC insurance Co.

H. General Municipal Election

On May 2013, a General Municipal Election was held in the City of Winfield, Kansas, and on April 2, 2013. Beth R. Wilke was elected to a four-year term. Merrill K. Gordon was elected to a two-year term. Commissioner Greg Thompson remains on the commission.

CITY OF WINFIELD, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

Other Postemployment Benefits Other than Pension

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Payroll
1/1/2008	$0	$782,186	$782,186	0.00%	$8,270,079	9.5%
1/1/2010	0	881,110	881,110	0.00%	7,948,411	11.1%
1/1/2012	0	1,068,057	1,068,057	0.00%	7,875,204	13.6%

There were no significant factors affecting trends in the Actuarial Accrued Liability for the valuation completed January 1, 2012.

Financial Section

Supplementary Information

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted by either the City Commission or by outside entities for expenditures for specific purposes.

Flood Control – Maintenance costs of the flood levee are paid from this fund.

Special Parks and Recreation – Park and park equipment upgrades are paid from this fund. K.S.A. 79-49a102 requires one-third of the 10% gross receipts tax on the sale of alcoholic liquor be deposited into this fund for park enhancements.

Special Alcohol Program – Transfers are made from this fund to the City's D.A.R.E. Program fund. K.S.A. 79-49a102 requires one-third of the 10% gross receipts tax on the sale of alcoholic liquor to be deposited into this fund for expenses of drug and alcohol education, treatment, or prevention programs.

Law Enforcement Trust – K.S.A. 60-4117 requires the City to deposit the net proceeds of sales of forfeited property and moneys related to controlled substances activities to be deposited into a separate fund. Appropriations from this fund are not to be used to meet normal operating expenses of the police department. The statute defines allowable expenditures.

Water Preservation - Created in 2004 to provide funding for programs to protect the upstream quality of water flowing into the Winfield City Lake, the primary water source for the City of Winfield. A portion of annual lake permit fees and two cents for every one-thousand gallons of water usage billed provide the revenue sources for this fund.

Senior Citizen Facility – Senior Citizen Center expenses are paid from this fund. Funds are received from the Cowley County Council on Aging for this purpose.

Special Liability – City and City employee legal defense costs and various uninsured risk costs may be paid from this fund. Under K.S.A. 75-6110, the City levies property taxes to provide funding for this purpose.

Special Streets and Highway – Street and highway-related maintenance expenses are paid from this fund. The State of Kansas gasoline tax allotments are the primary funding source, and must be used for this purpose.

Industrial Development – Industrial and economic development related expenses are paid from this fund. Kansas statutes authorize the City to levy property taxes to provide funding for this purpose.

Tourism and Convention – Local tourism and convention promotional expenses are paid from this fund. Transient guest taxes are the primary funding source, received through the State of Kansas.

Fairgrounds Improvements – Cowley County Fairgrounds maintenance and improvement expenses may be paid from this fund. Fairgrounds facilities usage fees are the primary funding source.

Drug Task Force – Cowley County and the cities of Arkansas City and Winfield share drug task force duties within Cowley County, and utilize this fund to centrally manage and share drug task forces costs and funding sources.

Cemetery Improvement – Cemetery operations and maintenance expenses may be paid from this fund. One-third of the sales proceeds of each cemetery space and "pre-need" payments are the primary funding sources.

Public Library – Property taxes are levied for library operations. The City receives these collections from Cowley County, and remits to the Winfield Public Library, to be used for library operations.

NONMAJOR GOVERNMENTAL FUNDS (continued)

Equipment Reserve - Transfers from other funds are accumulated to this fund, to provide for future equipment purchases.

Special Improvements – This fund acts as a revolving fund to provide working capital to finance the initial costs of projects eventually paid for through special assessments to property owners in a benefit district.

Baden Hall Restoration – The City owns Baden Hall, a building to be renovated in Baden Square. Private contributions from citizens and St. John Alumni, designated for the renovation of Baden Hall, have been accumulated in this fund. Renovations are planned in 2011.

Grants and Contributions – Federal and state grants and contributions from private enterprise for general government type projects are funneled through this fund, for tracking and compliance purposes.

Alcohol and Drug Safety Action – Assessment fees collected by the municipal court in accordance with K.S.A. 8-1008, for alcohol or drug related charges, are deposited into this fund. Moneys are to be used only for court expenses involved in administering the provisions of the statute.

Energy Manager Grant – The City received a two year Energy Manager's Grant in 2010, through the Kansas Corporation Commission (KCC) and the Federal Department of Energy. The purpose of the grant is to provide financial assistance for hiring an energy manager and for outreach and education in the community. This fund tracks the grant revenues and expenditures.

Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major facilities, and for building and general improvements of city-owned structures and facilities, other than those financed by special revenue and enterprise funds.

Country Club Villa – The city authorized initial costs for streets and sewer line construction to this housing development in 2008. The project was postponed late in 2008, at the developer's request, and remains on hold.

KLINK 2010/2011 Project – A street resurfacing project on a main trafficway of the city was completed in 2010. KDOT paid for 50% of the project, and the balance was financed by the city through general obligation bonds.

Gottlob Business Park- – In April 2012, the City established Gottlob Business Park, an industrial and economic development project of approximately 100 acres. General Obligation Temporary Notes in addition to a state capital grant was used to finance this project

Permanent Fund

Cemetery Endowment – This endowment from a citizen prohibits the use of the principal, and only the investment earnings can be used for cemetery improvements.

CITY OF WINFIELD, KANSAS

Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2012

	Special Revenue Funds					
	Flood Control	Special Parks and Recreation	Special Alcohol Program	Law Enforcement Trust	Water Preservation	Senior Citizen Facility
ASSETS						
Pooled cash and investments	$ 59,414	$ 88,500	$ 9,120	$ 7,520	$ 53,707	$ 6,888
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Land held for Resale	-	-	-	-	-	-
Due from other governmental agencies	-	-	-	-	-	-
Total assets	$ 59,414	$ 88,500	$ 9,120	$ 7,520	$ 53,707	$ 6,888
LIABILITIES AND FUND BALANCES						
Accounts payable	$ -	$ -	$ 496	$ -	$ 2,409	$ 57
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	496	-	2,409	57
Deferred Inflows of Resources:						
Deferred property tax receivable	-	-	-	-	-	-
Fund balances						
Nonspendable:	-	-	-	-	-	-
Restricted for:						
Court programs	-	-	-	-	-	-
Culture/recreation	-	88,500	-	-	-	-
Drug/alcohol programs	-	-	8,624	-	-	-
Tourism development	-	-	-	-	-	-
Energy grant	-	-	-	-	-	-
Equipment acquisition	-	-	-	-	-	-
Industrial Development	-	-	-	-	-	-
Legal/uninsured liabilities	-	-	-	-	-	-
Levee maintenance	59,414	-	-	-	-	-
Library	-	-	-	-	-	-
Police/public safety	-	-	-	7,520	-	-
Committed for:						
Capital improvements	-	-	-	-	-	-
Cemetery improvements	-	-	-	-	-	-
Fairgrounds improvements	-	-	-	-	-	-
Streets maintenance	-	-	-	-	-	-
Water quality programs	-	-	-	-	51,298	-
Assigned for:						
Capital projects	-	-	-	-	-	-
Senior citizens programs	-	-	-	-	-	6,831
Total fund balances	59,414	88,500	8,624	7,520	51,298	6,831
Total liabilities, deferred inflows of resources and fund balances	$ 59,414	$ 88,500	$ 9,120	$ 7,520	$ 53,707	$ 6,888

Special Liability	Special Streets and Highway	Industrial Development	Tourism and Convention	Fairgrounds Improvements	Drug Task Force	Cemetery Improvement
			Special Revenue Funds			
$ 240,857	$ 66,000	$ 10,731	$ 83,017	$ 87,967	$ 8,928	$ 93,579
117,851	-	11,944	-	-	-	-
-	-	-	-	-	-	332
-	-	710,252	-	-	-	-
-	15,237	-	-	-	-	-
$ 358,708	$ 81,237	$ 732,927	$ 83,017	$ 87,967	$ 8,928	$ 93,911
$ 4,006	$ 7,760	$ -	$ (231)	$ -	$ 390	$ -
-	-	-	-	-	-	-
4,006	7,760	-	(231)	-	390	-
117,851	-	11,944	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	83,248	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	720,983	-	-	-	-
236,851	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	8,538	-
-	-	-	-	-	-	-
-	-	-	-	-	-	93,911
-	-	-	-	87,967	-	-
-	73,477	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
236,851	73,477	720,983	83,248	87,967	8,538	93,911
$ 358,708	$ 81,237	$ 732,927	$ 83,017	$ 87,967	$ 8,928	$ 93,911

(Continued)

CITY OF WINFIELD, KANSAS

Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2012

	Special Revenue Funds			
	Public Library	Equipment Reserve	Special Improvements	Grants and Contributions
ASSETS				
Pooled cash and investments	$ -	$ 67,213	$ 41,720	$ 19,609
Taxes receivable	440,323	-	-	-
Accounts receivable	-	-	-	-
Land held for resale	-	-	-	-
Due from other governmental agencies	-	-	-	-
Total assets	$ 440,323	$ 67,213	$ 41,720	$ 19,609
LIABILITIES AND FUND BALANCES				
Accounts payable	$ -	$ -	$ -	$ 403
Due to other funds	-	-	-	-
Total liabilities	-	-	-	403
Deferred Inflows of Resources:				
Deferred property tax receivable	440,323	-	-	-
Fund balances				
Nonspendable:	-	-	-	-
Restricted for:				
Court programs	-	-	-	-
Culture/recreation	-	-	-	-
Drug/alcohol programs	-	-	-	-
Tourism development	-	-	-	-
Energy grant	-	-	-	-
Equipment acquisition	-	67,213	-	19,206
Industrial Development	-	-	-	-
Legal/uninsured liabilities	-	-	-	-
Levee maintenance	-	-	-	-
Library	-	-	-	-
Police/public safety	-	-	-	-
Committed for:				
Capital improvements	-	-	41,720	-
Cemetery improvements	-	-	-	-
Fairgrounds improvements	-	-	-	-
Streets maintenance	-	-	-	-
Water quality programs	-	-	-	-
Assigned for:				
Capital projects	-	-	-	-
Senior citizens programs	-	-	-	-
Total fund balances	-	67,213	41,720	19,206
Total liabilities, deferred inflows of resources and fund balances	$ 440,323	$ 67,213	$ 41,720	$ 19,609

Special Revenue Funds		Capital Project Funds		Permanent Fund	
Alcohol & Drug Safety Action	Energy Manager Grant	Country Club Villa Improvmts	Gottlob Business Park	Cemetery Endowment	TOTALS
$ 673	$ -	$ -	705,709	$ 6,000	$ 1,657,152
-	-	-	-	-	570,118
-	-	-	-	-	332
-	-	-	-	-	710,252
-	-	-	-	-	15,237
$ 673	$ -	$ -	$ 705,709	$ 6,000	$ 2,953,091
$ -	$ -	$ -	$ -	$ -	$ 15,290
-	-	42,980	-	-	42,980
-	-	42,980	-	-	58,270
-	-	-	-	-	570,118
-	-	-	-	6,000	6,000
673	-	-	-	-	673
-	-	-	-	-	88,500
-	-	-	-	-	8,624
-	-	-	-	-	83,248
-	-	-	-	-	-
-	-	-	-	-	86,419
-	-	-	-	-	720,983
-	-	-	-	-	236,851
-	-	-	-	-	59,414
-	-	-	-	-	-
-	-	-	-	-	16,058
-	-	-	-	-	41,720
-	-	-	-	-	93,911
-	-	-	-	-	87,967
-	-	-	-	-	73,477
-	-	-	-	-	51,298
-	-	(42,980)	705,709	-	662,729
-	-	-	-	-	6,831
673	-	(42,980)	705,709	6,000	2,324,703
$ 673	$ -	$ -	$ 705,709	$ 6,000	$ 2,953,091

(Concluded)

CITY OF WINFIELD, KANSAS

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue Funds					
	Flood Control	Special Parks and Recreation	Special Alcohol Program	Law Enforcement Trust	Water Preservation	Senior Citizen Facility
Revenues						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	20,347	20,347	-	-	4,000
Charges for services	-	14,732	-	-	-	-
Interest	169	223	12	17	140	24
Other	-	2,055	3,425	2,740	-	1,895
Total revenues	169	37,357	23,784	2,757	140	5,919
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	17,585	-	-	-
Public works	306	-	-	-	-	-
Cemetery	-	-	-	-	-	-
Culture and recreation	-	28,078	-	-	-	8,643
Health and welfare	-	-	-	-	16,450	-
Economic development	-	-	-	-	-	-
Debt service:					-	
Capital lease principal payments	-	-	-	-	-	-
Capital lease interest payments	-	-	-	-	-	-
Total expenditures	306	28,078	17,585	-	16,450	8,643
Revenues over (under) expenditures	(137)	9,279	6,199	2,757	(16,310)	(2,724)
Other financing sources (uses)						
Temporary Note Proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	52,894	500
Transfers out	-	-	-	-	(30,537)	-
Total other financing sources (uses)	-	-	-	-	22,357	500
Net change in fund balances	(137)	9,279	6,199	2,757	6,047	(2,224)
Fund balances, January 1	59,551	79,221	2,425	4,763	45,251	9,056
Fund balances, December 31	$ 59,414	$ 88,500	$ 8,624	$ 7,520	$ 51,298	$ 6,831

Special Liability	Special Streets and Highway	Industrial Development	Tourism and Convention	Fairgrounds Improvements	Drug Task Force	Cemetery Improvement
			Special Revenue Funds			
$ 130,298	$ -	$ 13,357	$ -	$ -	$ -	$ -
-	557,650	-	68,699	-	15,000	-
-	-	-	2,010	11,628	-	10,721
815	224	66	274	244	42	257
17	201,627	710,252	6,377	103	5,708	684
131,130	759,501	723,675	77,360	11,975	20,750	11,662
183,802	-	-	-	-	-	-
-	-	-	-	-	20,846	-
-	1,028,147	-	-	-	-	-
-	-	-	-	-	-	4,518
-	-	-	-	2,750	-	-
-	-	-	-	-	-	-
-	-	42,692	102,295	-	-	-
-	36,347	-	-	-	-	-
-	2,824	-	-	-	-	-
183,802	1,067,318	42,692	102,295	2,750	20,846	4,518
(52,672)	(307,817)	680,983	(24,935)	9,225	(96)	7,144
-	-	-	-	-	-	-
-	286,500	40,000	-	-	-	17
-	(75,000)	-	-	-	-	-
-	211,500	40,000	-	-	-	17
(52,672)	(96,317)	720,983	(24,935)	9,225	(96)	7,161
289,523	169,794	-	108,183	78,742	8,634	86,750
$ 236,851	$ 73,477	$ 720,983	$ 83,248	$ 87,967	$ 8,538	$ 93,911

(Continued)

CITY OF WINFIELD, KANSAS

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue Funds			
	Public Library	Equipment Reserve	Special Improvements	Grants and Contributions
Revenues				
Property taxes	$ 486,727	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Interest	-	199	119	61
Other	-	-	-	17,374
Total revenues	486,727	199	119	17,435
Expenditures				
General government	-	7,500	-	-
Public safety	-	-	-	21,360
Public works	-	-	-	-
Cemetery	-	-	-	-
Culture and recreation	496,821	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Capital lease principal payments	-	-	-	-
Capital lease interest payments	-	-	-	-
Total expenditures	496,821	7,500	-	21,360
Revenues over (under) expenditures	(10,094)	(7,301)	119	(3,925)
Other financing sources (uses)				
Temporary Note Proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(10,094)	(7,301)	119	(3,925)
Fund balances, January 1	10,094	74,514	41,601	23,131
Fund balances, December 31	$ (0)	$ 67,213	$ 41,720	$ 19,206

Special Revenue Funds		Capital Projects Funds		Permanent Fund	
Alcohol & Drug Safety Action	Energy Manager Grant	Country Club Villa Improvmts	Gottlob Business Park	Cemetery Endowment	TOTALS
$ -	$ -	$ -	$ -	$ -	$ 630,382
-	69,750	-	-	-	755,793
-	-	-	-	-	39,091
12	4	-	-	17	2,919
-	-	-	1,097,152	-	2,049,409
12	69,754	-	1,097,152	17	3,477,594
3,750	69,718	-	-	-	264,770
-	-	-	-	-	59,791
-	-	-	-	-	1,028,453
-	-	-	-	-	4,518
-	-	-	-	-	536,292
-	-	-	-	-	16,450
-	-	-	3,801,443	-	3,946,430
-	-	-	-	-	36,347
-	-	-	-	-	2,824
3,750	69,718	-	3,801,443	-	5,895,876
(3,738)	36	-	(2,704,291)	17	(2,418,282)
-	-	-	3,410,000	-	3,410,000
135	-	-	-	-	380,046
-	(1,164)	-	-	(17)	(106,718)
135	(1,164)	-	3,410,000	(17)	3,683,328
(3,603)	(1,128)	-	705,709	-	1,265,046
4,276	1,128	(42,980)	-	6,000	1,059,657
$ 673	$ (0)	$ (42,980)	$ 705,709	$ 6,000	$ 2,324,703

(Concluded)

CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	FLOOD CONTROL			SPECIAL PARKS & RECREATION		
	Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
Revenues and other sources						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	20,989	20,347	(642)
Interest	150	169	19	150	223	73
Other	-	-	-	18,750	16,787	(1,963)
Transfers from other funds	-	-	-	-	-	-
Total revenues and other sources	150	169	19	39,889	37,357	(2,532)
				-		
Expenditures and other uses						
Personal services	-	-	-	-	-	-
Contractual services	10,250	-	10,250	-	53	(53)
Materials and supplies	5,000	306	4,694	-	1,118	(1,118)
Other	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital outlay	-	-	-	30,000	26,908	3,092
Transfers to other funds	-	-	-	-	-	-
Contingency	-	-	-	50,000		50,000
Neighborhood Revitalization	-	-	-	-	-	-
Total expenditures and other uses	15,250	306	14,944	80,000	28,079	51,921
Revenues and other sources over (under) expenditures and other uses	(15,100)	(137)	14,963	(40,111)	9,278	49,389
Unencumbered fund balance, January 1	45,513	59,551	14,038	58,542	79,221	20,679
Unencumbered fund balance, December 31	$ 30,413	$ 59,414	$ 925	$ 18,431	$ 88,499	$ 70,068

SPECIAL ALCOHOL PROGRAM			LAW ENFORCEMENT TRUST		
Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
$ -	$ -	$ -	$ -	$ -	$ -
20,989	20,347	(642)	-	-	-
15	12	(3)	10	17	7
3,500	3,425	(75)	10,000	2,740	(7,260)
-	-	-	-	-	-
24,504	23,784	(720)	10,010	2,757	(7,253)
24,742	17,585	7,157	-	-	-
162	-	162	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
		-	20,000		20,000
-	-	-	-	-	-
24,904	17,585	7,319	20,000	-	20,000
(400)	6,199	6,599	(9,990)	2,757	12,747
1,176	2,425	1,249	10,305	4,763	(5,542)
$ 776	$ 8,624	$ 7,848	$ 315	$ 7,520	$ 7,205

(Continued)

CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	WATER PRESERVATION			SENIOR CITIZENS FACILITY		
	Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
Revenues and other sources						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	4,000	4,000	-
Interest	100	140	40	25	24	(1)
Other	-	-	-	3,000	1,895	(1,105)
Transfers from other funds	62,500	52,894	(9,606)	500	500	-
Total revenues and other sources	62,600	53,034	(9,566)	7,525	6,419	(1,106)
Expenditures and other uses						
Personal services	-	-	-	-	-	-
Contractual services	32,000	26,450	5,550	8,340	8,245	95
Materials and supplies	200	-	200	800	398	402
Other	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Transfers to other funds	30,537	30,537	-	-	-	-
Contingency	-	-	-	-	-	-
Neighborhood Revitalization	-	-	-	-	-	-
Total expenditures and other uses	62,737	56,987	5,750	9,140	8,643	497
Revenues and other sources over (under) expenditures and other uses	(137)	(3,953)	(3,816)	(1,615)	(2,224)	(609)
Unencumbered fund balance, January 1	47,594	45,251	(2,343)	9,509	9,056	(453)
Unencumbered fund balance, December 31	$ 47,457	$ 41,298	$ (6,159)	$ 7,894	$ 6,832	$ (1,062)

SPECIAL LIABILITY			SPECIAL STREETS & HIGHWAY			
Original Budget	Actual Amounts	Variance	Original Budget	Amended Budget	Actual Amounts	Variance with Amended Budget
$ 134,756	$ 130,298	$ (4,458)	$ -	$ -	$ -	$ -
-	-	-	547,550	570,652	557,650	(13,002)
1,200	815	(385)	500	224	224	-
-	17	17	202,145	189,894	203,170	13,276
-	-	-	285,000	350,000	285,000	(65,000)
135,956	131,130	(4,826)	1,035,195	1,110,770	1,046,044	(64,726)
		-				
-	-	-	356,258	356,258	360,896	(4,638)
87,600	92,758	(5,158)	39,840	39,840	49,527	(9,687)
-	-	-	212,645	212,615	198,930	13,685
30,000	-	30,000	500	530	435	95
-	-	-	39,170	500,000	39,171	460,829
120,000	113,285	6,715	370,500	39,170	402,869	(363,699)
-		-	75,000	75,000	75,000	-
121,000	-	121,000	-	-	-	-
1,165	1,224	(59)	-	-	-	-
359,765	207,267	152,498	1,093,913	1,223,413	1,126,828	96,585
(223,809)	(76,137)	147,672	(58,718)	(112,643)	(80,784)	31,859
242,421	289,523	47,102	73,886	133,823	133,823	-
$ 18,612	$ 213,386	$ 194,774	$ 15,168	$ 21,180	$ 53,039	$ 31,859

(Continued)

CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	INDUSTRIAL DEVELOPMENT			TOURISM AND CONVENTION		
	Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
Revenues and other sources	-				-	
Taxes	$ 13,670	$ 13,357	$ (313)	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	81,000	68,700	(12,300)
Interest	75	66	(9)	300	274	(26)
Other	-		-	2,225	8,386	6,161
Transfers from other funds	40,000	40,000	-	-	-	-
Total revenues and other sources	53,745	53,423	(322)	83,525	77,360	(6,165)
Expenditures and other uses						
Personal services	-	-	-	437	525	(88)
Contractual services	12,250	2,298	9,952	54,530	55,180	(650)
Materials and supplies	1,000	270	730	8,348	7,660	688
Other	40,500	40,000	500	31,525	28,673	2,852
Debt Service	-	-	-	-	-	-
Capital outlay	-	-	-	15,000	10,257	4,743
Transfers to other funds	-	-	-	-	-	-
Contingency	300	-	300	-	-	-
Neighborhood Revitalization	118	124	(6)	-	-	-
Total expenditures and other uses	54,168	42,692	11,476	109,840	102,295	7,545
					-	
Revenues and other sources over (under) expenditures and other uses	(423)	10,731	11,154	(26,315)	(24,935)	1,380
Unencumbered fund balance, January 1	3,222	-	(3,222)	92,001	108,183	16,182
Unencumbered fund balance, December 31	$ 2,799	$ 10,731	$ 7,932	$ 65,686	$ 83,248	$ 17,562

FAIRGROUNDS IMPROVEMENTS			DRUG TASK FORCE		
Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	15,000	15,000	-
250	244	(6)	40	42	2
14,000	11,731	(2,269)	10,000	5,708	(4,292)
-	-	-	-	-	-
14,250	11,975	(2,275)	25,040	20,750	(4,290)
-	-	-	-	-	-
-	-	-	6,300	5,470	830
-	-	-	9,100	10,771	(1,671)
-	-	-	7,000	2,700	4,300
-	-	-	-	-	-
-	2,750	(2,750)	1,000	1,631	(631)
-	-	-	-	-	-
80,000	-	80,000	9,000	274	8,726
-	-	-	-	-	-
80,000	2,750	77,250	32,400	20,846	11,554
(65,750)	9,225	74,975	(7,360)	(96)	7,264
82,508	78,742	(3,766)	8,063	8,634	571
$ 16,758	$ 87,967	$ 71,209	$ 703	$ 8,538	$ 6,693

(Continued)

CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	CEMETERY IMPROVEMENTS			PUBLIC LIBRARY		
	Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
Revenues and other sources						
Taxes	$ -	$ -	$ -	$ 503,442	$ 486,727	$(16,715)
Intergovernmental revenues	-	-	-	-	-	-
Interest	200	257	57	-	-	-
Other	8,000	11,405	3,405	-	-	-
Transfers from other funds	25	17	(8)	-	-	-
Total revenues and other sources	8,225	11,679	3,454	503,442	486,727	(16,715)
Expenditures and other uses						
Personal services	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-
Materials and supplies	3,500	560	2,940	-	-	-
Other	25	-	25	509,467	492,249	17,218
Debt Service	-	-	-	-	-	-
Capital outlay	4,000	3,958	42	-	-	-
Transfers to other funds	-	-	-	-	-	-
Contingency	50,000	-	50,000	-	-	-
Neighborhood Revitalization	-	-	-	4,354	4,572	(218)
Total expenditures and other uses	57,525	4,518	53,007	513,821	496,821	17,000
Revenues and other sources over (under) expenditures and other uses	(49,300)	7,161	56,461	(10,379)	(10,094)	285
Unencumbered fund balance, January 1	76,961	86,750	9,789	10,379	10,094	(285)
Unencumbered fund balance, December 31	$ 27,661	$ 93,911	$ 66,250	$ -	$ -	$ -

SPECIAL IMPROVEMENTS			ALCOHOL AND DRUG SAFETY		
Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	119	119	5	12	7
-	-	-	-	-	-
-	-	-	400	135	(265)
-	119	119	405	147	(258)
-	-	-	-	-	-
30,000	-	30,000	-	-	-
-	-	-	400	-	400
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,000	3,750	250
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
30,000	-	30,000	4,400	3,750	650
(30,000)	119	30,119	(3,995)	(3,603)	392
31,587	41,601	10,014	4,062	4,276	214
$ 1,587	$ 41,720	$ 40,133	$ 67	$ 673	$ 606

(Concluded)

CITY OF WINFIELD, KANSAS

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original Budget	Amended Budget	Actual Amounts	Variance from Amended
Revenues and other sources:				
Taxes:				
Property	$ 686,856	$ 690,206	$ 664,475	$ (25,731)
Special assessments	211,791	256,707	256,707	-
Other revenues:				-
Interest income	600	600	656	56
G.O. Bond Proceeds	-	1,520,000	1,520,000	-
Payments from other governmental entities,				-
debt payment shares	31,437	31,437	31,437	-
Transfers in	1,279,204	1,379,204	1,379,204	-
Total revenues and other sources	2,209,888	3,878,154	3,852,479	(25,675)
Expenditures and other uses:				
Debt interest payments	517,624	517,624	517,624	-
Debt principal payments	1,761,414	1,761,414	1,461,415	299,999
Contingencies	30,000	30,000	-	30,000
Debt Issuance Costs	-	17,505	17,505	-
Debt Redemption	-	1,500,001	1,800,000	(299,999)
Neighborhood Revitalization	5,940	6,237	6,237	-
Total expenditures and other uses	2,314,978	3,832,781	3,802,781	30,000
Revenues and other sources over (under) expenditures and other uses	(105,090)	45,373	49,698	4,325
Unencumbered fund balance, Jan 1	126,243	158,727	158,727	-
Unencumbered fund balance, Dec 31	$ 21,153	$ 204,100	$ 208,425	$ 187,272

CITY OF WINFIELD, KANSAS

Nonmajor Capital Projects Fund
Country Club Villas Water, Streets and Drainage Improvements

Schedule of Revenues, Expenditures, and Changes in Fund Balances
From Inception and for the Year ended December 31, 2012

	Prior Years	Current Year	Total to Date	Project Authorization
Expenditures:				
Improvement projects	$ 42,980	$ -	$ 42,980	$ 177,000
Other financing sources (uses):				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(42,980)	-	-	$ (177,000)
Fund balance-beginning of year	-	(42,980)	(42,980)	
Fund balance - end of year	$ (42,980)	$ (42,980)	$ (42,980)	

CITY OF WINFIELD, KANSAS

Nonmajor Capital Projects Fund
KLINK 2012 Street Improvements

Schedule of Revenues, Expenditures, and Changes in Fund Balances
From Inception and for the Year ended December 31, 2012

	Prior Years	Current Year	Total to Date	Project Authorization
Expenditures:				
Improvement projects	$ 348,648	$ -	$ 348,648	$ 452,000
Other financing sources (uses):				
Debt proceeds interest income	155	-	155	-
General obligation bond proceeds	212,637	-	212,637	252,000
Debt issuance costs	(1,192)	-	(1,192)	-
KDOT KLINK funds	169,567	-	169,567	200,000
Transfer to bond and interest fund	(32,519)	-	(32,519)	-
Total other financing sources (uses)	348,648	-	348,648	452,000
Net change in fund balances	-	-	-	$ -
Fund balance-beginning of year	-	-	-	
Fund balance - end of year	$ -	$ -	$ -	

CITY OF WINFIELD, KANSAS

Nonmajor Capital Projects Fund
Gottlob Business Park

Schedule of Revenues, Expenditures, and Changes in Fund Balances
From Inception and for the Year ended December 31, 2012

	Prior Years	Current Year	Total to Date	Project Authorization
Expenditures:				
Improvement projects	$ -	$ 3,787,877	$ 3,787,877	$ 4,410,000
Other financing sources (uses):				
Debt proceeds interest income	-	-	-	-
Temporary Note proceeds		3,410,000	3,410,000	3,410,000
Debt Issurance Costs		(13,566)	(13,566)	
State Grants	-	1,047,152	1,047,152	1,000,000
Refund of expenditures		50,000	50,000	-
Total other financing sources (uses)	-	4,493,586	4,493,586	4,410,000
Net change in fund balances	-	705,709	705,709	$ -
Fund balance-beginning of year	-	-	-	
Fund balance - end of year	$ -	$ 705,709	$ 705,709	

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City Commission is to finance or recover the costs of providing goods or services to the general public on a continuing basis primarily through user charges; or the City Commission has decided that periodic determination of net income is appropriate for accountability purposes.

Refuse - The Refuse Fund is used to account for revenues and expenses related to the operation and maintenance of the refuse collection and recycling programs operated by the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and capital improvements. In addition, a pro-rata portion of administration, utility billings, and collection expenses are charged to this fund from the management services fund.

Stormwater Drainage – The stormwater drainage fund was established in 1996 to fund major drainage projects throughout the City. Stormwater drainage fees are charged to city utility customers through the utility bills.

Quail Ridge Golf Course - Quail Ridge Golf course is an eighteen hole golf course owned and operated by the City. The golf course revenues consist of memberships, rounds fees, cart rentals, and driving range fees.

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CITY OF WINFIELD, KANSAS

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2012

	Refuse	Stormwater Drainage	Quail Ridge Golf Course	Total
Assets				
Current assets				
Cash and temporary investments	$ 897,369	$ 164,388	$ 14,010	$ 1,075,767
Utility billing receivables, net	126,924	15,760	-	142,684
Inventories	-	-	31,878	31,878
Total current assets	1,024,293	180,148	45,888	1,250,329
Capital Assets:				
Land	3,503	-	399,949	403,452
Buildings	60,157	-	514,636	574,793
Improvements other than buildings	-	4,791,897	2,535,025	7,326,922
Machinery, equipment, other	1,155,274	14,823	516,406	1,686,503
Less accumulated depreciation	(972,401)	(676,258)	(2,883,993)	(4,532,652)
Net capital assets	246,533	4,130,462	1,082,023	5,459,018
Other assets				
Advances to internal service funds	7,620	-	-	7,620
Deferred bond issuance costs	-	4,321	-	4,321
Investment in joint venture	45,098	-	-	45,098
Total other assets	52,718	4,321	-	57,039
Total assets	1,323,544	4,314,931	1,127,911	6,766,386
Liabilities				
Current liabilites				
Accounts payable	29,337	217	22,802	52,356
Accrued interest payable	-	2,349	-	2,349
Current portion of compensated absences	15,389	-	3,949	19,338
Current portion of long-term debt	-	85,447	-	85,447
	44,726	88,013	26,751	159,490
Noncurrent liabilities				
General obligation refunding bonds payable	-	266,839	-	266,839
Deferred premium on refunding bonds	-	2,447	-	2,447
Accrued compensated absences	12,645	-	-	12,645
Net OPEB obligation	14,412	-	6,641	21,053
	27,057	269,286	6,641	302,984
Total liabilities	71,783	357,299	33,392	462,474
Net Position				
Invested in capital assets, net of related debt	246,533	3,778,176	1,082,023	5,106,732
Unrestricted	1,005,228	179,456	12,496	1,197,180
Total net position	$ 1,251,761	$ 3,957,632	$ 1,094,519	$ 6,303,912

CITY OF WINFIELD, KANSAS

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

	Refuse	Stormwater Drainage	Quail Ridge Golf Course	Total
Operating revenues				
Charges for services and sales	$ 1,357,649	$ 149,654	$ 447,064	$ 1,954,367
Other	21,546	-	1,695	23,241
Total operating revenues	1,379,195	149,654	448,759	1,977,608
Operating expenses				
Services and supplies	1,115,248	35,712	559,006	1,709,966
Depreciation	33,796	70,124	114,556	218,476
Total operating expenses	1,149,044	105,836	673,562	1,928,442
Operating income (loss)	230,151	43,818	(224,803)	49,166
Non-operating revenues (expenses)				
Interest income	2,373	476	-	2,849
Loss on joint venture	(719)	-	-	(719)
Amortization of debt issuance costs	-	(577)	-	(577)
Interest expense	-	(7,325)	-	(7,325)
Other	-	(503)	(8,186)	(8,689)
Total non-operating revenues (expenses)	1,654	(7,929)	(8,186)	(14,461)
Net income (loss) before transfers	231,805	35,889	(232,989)	34,705
Capital contributions and transfers:				
Transfers - Payments in lieu of franchise fees	(65,103)	-	-	(65,103)
Transfers in - cash	2,250	-	165,650	167,900
Transfers out - cash	-	(20,000)	-	(20,000)
Change in net position	168,952	15,889	(67,339)	117,502
Total net position - beginning	1,082,809	3,941,743	1,161,858	6,186,410
Total net position - ending	$ 1,251,761	$ 3,957,632	$ 1,094,519	$ 6,303,912

CITY OF WINFIELD, KANSAS

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Refuse	Stormwater Drainage	Quail Ridge Golf course	Total
Cash flows from operating activities				
Payments to suppliers	$ (781,123)	$ (35,999)	(322,957)	$ (1,140,079)
Payments to employees	(333,717)	-	(240,974)	(574,691)
Receipts from customers	1,356,617	149,657	448,458	1,954,732
Other receipts	20,120	-	1,695	21,815
Net cash provided by operating activities	261,897	113,658	(113,778)	261,777
Cash flows from noncapital financing actvities				
Transfer to other funds	-	(20,000)	-	(20,000)
Transfer from Other funds	2,250	-	165,650	167,900
Internal activity-payments in lieu of franchise fees	(65,103)	-	-	(65,103)
Net cash used by noncapital financing activities	(62,853)	(20,000)	165,650	82,797
Cash flows from capital and related financing activities				
Debt payments - interest	-	(85,447)	-	(85,447)
Debt payments - principal	-	(6,191)	-	(6,191)
Bond proceeds	-	-	-	-
Bond issuance costs	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Acquisition of capital assets	(20,747)	-	(51,987)	(72,734)
Net cash used by capital and related financing activities	(20,747)	(91,638)	(51,987)	(164,372)
Cash flows from investing activities				
Interest income	2,373	477	-	2,850
Net cash provided from investing activities	2,373	477	-	2,850
Net decrease in cash and cash equivalents	180,670	2,497	(115)	183,052
Balances - beginning of the year (includes $200,000 in restricted assets)	716,699	$ 161,891	14,125	$ 892,715
Balances - end of the year	$ 897,369	$ 164,388	14,010	$ 1,075,767

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities

Operating income (loss)	$ 230,151	$ 43,818	(224,803)	$ 49,166
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	33,796	70,124	114,556	218,476
Changes in assets and liabilities:				
Receivables, net	(1,033)	(501)	-	(1,534)
Inventories/Prepaids	-	-	(3,687)	(3,687)
Compensated absences	(126)	-	(2,858)	(2,984)
Net OPEB obligations	2,432	-	1,121	3,553
Accounts and other payables	(3,323)	217	1,893	(1,213)
Total adjustments	31,746	69,840	111,025	212,611
Net cash provided (used) by operating activities	$ 261,897	$ 113,658	(113,778)	$ 261,777

Noncash Transactions				
Loss on joint venture	(719)	-	-	(719)
Amortization of premium on bond issuance	-	(577)	-	(577)
Amortization of deferred (loss) gain on debt defeasance	-	-	-	-
Amortization of debt issue costs	-	-	-	-

CITY OF WINFIELD, KANSAS

BUDGETED ENTERPRISE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	ELECTRIC			
	Original Budget	Amended Budget	Actual Amounts	Variance from Amended Budget
Revenues and other sources				
Charges for services	$ 22,745,000	$ 22,745,022	$ 26,172,915	$ 3,427,893
Interest income	10,000	6,000	8,992	2,992
Other	71,100	359,724	88,350	(271,374)
Reimbursement of expenditures	125,000	75,000	252,176	177,176
Transfers from other funds	-	-	8,165	8,165
Total revenues and other sources	22,951,100	23,185,746	26,530,598	3,344,852
Expenditures and other uses				
Personal services	2,008,422	2,008,442	1,984,815	23,627
Contractual services	714,729	714,729	399,099	315,630
Materials and supplies	1,748,276	1,748,276	1,875,218	(126,942)
Other	8,200	8,200	11,237	(3,037)
Purchased power and fuel/resale	15,700,000	18,700,000	17,588,264	1,111,736
Capital outlay	832,000	832,000	832,285	(285)
Debt service	-	-	-	-
In lieu of franchise taxes	1,529,200	1,995,805	2,156,045	(160,240)
Transfers to other funds	585,000	560,000	577,000	(17,000)
Total expenditures and other uses	23,125,827	26,567,452	25,423,963	1,143,489
Revenues and other sources over (under) expenditures and other uses	(174,727)	(3,381,706)	1,106,635	4,488,341
Unencumbered fund balance, January 1	840,791	840,791	1,077,315	(236,524)
Unencumbered fund balance, December 31	$ 666,064	$ (2,540,915)	$ 2,183,950	$ 4,724,865

(Continued)

GAS			WATER			
Original Budget	Actual Amounts	Variance	Original Budget	Amended Budget	Actual Amounts	Variance from Amended Budget
$ 6,218,000	$ 3,936,284	$ $ (2,281,716)	$ 2,342,500	$ 2,343,000	$ 2,414,131	$ 71,131
3,000	3,630	630	-	200	578	378
3,750	111,573	107,823	15,500	569,575	586,016	16,441
10,000	8,584	(1,416)	10,000	10,000	24,325	14,325
-	2,250	2,250	220,000	2,750	2,750	-
6,234,750	4,062,321	(2,172,429)	2,588,000	2,925,525	3,027,800	102,275
665,029	633,695	31,334	838,107	838,107	816,882	21,225
118,419	33,734	84,685	204,895	204,895	188,949	15,946
555,875	555,579	296	692,241	692,241	745,295	(53,054)
3,500	4,508	(1,008)	26,202	26,202	20,471	5,731
3,450,000	1,971,688	1,478,312	-	-	-	-
149,664	91,012	58,652	74,500	204,500	150,967	53,533
-	-	-	569,217	611,300	569,217	42,083
408,000	227,247	180,753	128,013	140,000	131,571	8,429
552,800	187,800	365,000	52,500	54,000	46,698	7,302
5,903,287	3,705,263	2,198,024	2,585,675	2,771,245	2,670,050	101,195
331,463	357,058	25,595	2,325	154,280	357,749	203,469
137,252	142,594	(5,342)	(169,945)	(169,945)	(164,907)	(5,038)
$ 468,715	$ 499,652	$ 30,937	$ (167,620)	$ (15,665)	$ 192,842	$ 208,507

CITY OF WINFIELD, KANSAS

BUDGETED ENTERPRISE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	WASTEWATER		
	Original Budget	Actual Amounts	Variance
Revenues and other sources			
Charges for services	$ 2,080,100	$ 2,058,136	$ (21,964)
Interest income	300	382	82
Other	6,125	24,497	18,372
Reimbursement of expenditures	500	7,458	6,958
Transfers from other funds	-	2,000	2,000
Total revenues and other sources	2,087,025	2,092,473	5,448
Expenditures and other uses			
Personal services	603,246	584,695	18,551
Contractual services	274,357	288,319	(13,962)
Materials and supplies	246,793	267,105	(20,312)
Other	700	461	239
Purchased power and fuel/resale	-	-	-
Capital outlay	247,100	175,455	71,645
Debt service	563,102	552,420	10,682
In lieu of franchise taxes	-	-	-
Transfers to other funds	-	-	-
Total expenditures and other uses	1,935,298	1,868,455	66,843
Revenues and other sources over (under) expenditures and other uses	151,727	224,018	72,291
Unencumbered fund balance, January 1	242,348	56,381	(185,967)
Unencumbered fund balance, December 31	$ 394,075	$ 280,399	$ (113,676)

(Concluded)

CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR ENTERPRISE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	REFUSE		
	Original Budget	Actual Amounts	Variance
Revenues and other sources			
Charges for services	$ 1,336,000	$ 1,354,301	$ 18,301
Interest income	2,000	2,373	373
Other	44,693	18,360	(26,333)
Reimbursement of expenditures	200	-	(200)
Transfers from other funds	-	2,250	2,250
Total revenues and other sources	1,382,893	1,377,284	(5,609)
Expenditures and other uses			
Personal services	556,019	486,710	69,309
Contractual services	326,875	281,782	45,093
Materials and supplies	319,843	337,322	(17,479)
Other	875	1,616	(741)
Capital outlay	300,000	167,655	132,345
Debt Service	-	-	-
In lieu of franchise taxes	65,100	65,103	(3)
Transfers to other funds	-	-	-
Total expenditures and other uses	1,568,712	1,340,188	228,524
Revenues and other sources over (under) expenditures and other uses	(185,819)	37,096	222,915
Unencumbered fund balance, January 1	685,463	685,464	1
Unencumbered fund balance, December 31	$ 499,644	$ 722,560	$ 222,916

STORMWATER DRAINAGE			QUAIL RIDGE GOLF COURSE		
Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
$ 150,000	$ 149,679	$ (321)	$ 500,825	$ 433,400	$ (67,425)
700	477	(223)	-	-	-
300	(526)	(826)	6,350	15,605	9,255
-	-	-	-	-	-
-	-	-	168,000	165,650	(2,350)
151,000	149,630	(1,370)	675,175	614,655	(60,520)
-	-	-	313,542	291,215	22,327
51,200	1,000	50,200	90,856	82,262	8,594
59,850	37,420	22,430	194,151	170,375	23,776
-	-	-	1,665	489	1,176
-	-	-	75,000	73,712	1,288
	-	-	-	-	-
-	-	-	-	-	-
111,638	111,638	-	-	-	-
222,688	150,058	72,630	675,214	618,053	57,161
(71,688)	(428)	71,260	(39)	(3,398)	(3,359)
163,836	161,891	(1,945)	4,660	4,660	-
$ 92,148	$ 161,463	$ 69,315	$ 4,621	$ 1,262	$ (3,359)

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for services performed by one governmental department to other departments of the City on a cost-reimbursement basis, and for risk financing activities.

Management Services – The Management Services Fund is a cost center for the City engineering, management information systems, utility billing, and general administration departments' expenses. These expenses are charged to other City funds based on several criteria and ratios.

Service Center – The Service Center Fund is a cost center for the City operations building and its equipment and for the service center department activities. The building and equipment maintenance costs are charged to other City funds on square footage. The service center charges other departments based on usage.

Accounts Receivable Financing – Prior to 2008, the account receivable financing fund acted as a central billing area for the City's utility billings. As of the end of 2009, the fund holds only delinquent utility receivable balances, which were billed prior to 2008. As the delinquent balances are collected, this fund balance will decrease, and eventually be closed. The City implemented new utility billing software in 2008, and the utility funds now individually track their receivables.

Risk Management Reserve – The Risk Management Reserve Fund pays for deductibles, excess liability losses, uninsured losses, and insurable losses not otherwise covered by commercial insurance. Funding is provided by annual contributions from other city funds that have an insurable risk, based on actuarial computations provided by an insurance consultant. The City purchases commercial insurance coverage for all substantial areas of risk, including property loss, auto liability, boiler and machinery, general and public officials' liability. Individual funds pay their portions of insurance policy premiums that are recorded as expenditures/expenses in those funds.

Workers' Compensation Reserve – The Workers' Compensation Reserve Fund accounts for all workers' compensation-related claims, judgments, and expenses through Sept 24, 2011. At this time, the City purchased workers' compensation insurance to cover all future claims. The City's workers' compensation program was a partially self-funded program covering substantially all full-time and part-time employees of the City. Funding has been provided by annual contributions from other city functions that have an insurable risk, based on actuarial computations provided by an insurance consultant.

Health Insurance Reserve – The Health Insurance Reserve Fund was created to eventually fund a partially self-insured health insurance program. The fund currently is used to pay a portion of employee health insurance premiums.

Short Term Disability Reserve – The Short Term Disability Reserve Fund provides up to twenty-six weeks of financial assistance to City full-time employees following sixty days of continuous disability.

CITY OF WINFIELD, KANSAS

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

	Management Services	Operations Center	Accounts Receivable Financing
Operating revenues			
Charges for services	$ 2,501,704	$ 479,190	$ -
Other	163,001	9,305	-
Total operating revenues	2,664,705	488,495	-
Operating expenses			
Administration	2,608,566	485,937	-
Claims	-	-	-
Depreciation	103,220	68,081	-
Total operating expenses	2,711,786	554,018	-
Operating income (loss)	(47,081)	(65,523)	-
Non-operating revenues (expenses)			
Interest income	-	-	-
Interest Expense	(491)	-	-
Total non-operating revenues (expenses)	(491)	-	-
Net income (loss) before operating transfers	(47,572)	(65,523)	-
Tranfers in- cash	9,650	1,250	-
Transfers out- cash	-	-	-
Transfers in - fixed assets	-	165,158	-
Transfers out- fixed assets	-	(9,303)	-
Net transfers	9,650	157,105	-
Change in net position	(37,922)	91,582	-
Total net position - beginning	236,328	1,222,131	-
Total net position - ending	$ 198,406	$ 1,313,713	$ -

Risk Management Reserve	Workers' Compensation Reserve	Health Insurance Reserve	Short-Term Disability Reserve	Totals
$ -	$ -	$ -	$ -	$ 2,980,894
160,866	26,470	1,490,355	-	1,849,997
160,866	26,470	1,490,355	-	4,830,891
41,270	87,019	1,337,722	-	4,560,514
239,085	34,532	-	-	273,617
-	-	-	-	171,301
280,355	121,551	1,337,722	-	5,005,432
(119,489)	(95,081)	152,633	-	(174,541)
2,726	205	278	586	3,795
-	-	-	-	(491)
2,726	205	278	586	3,304
(116,763)	(94,876)	152,911	586	(171,237)
-	17,000	-	-	27,900
-	-	(42,750)	-	(42,750)
-	-	-	-	165,158
-	-	-	-	(9,303)
-	17,000	(42,750)	-	141,005
(116,763)	(77,876)	110,161	586	(30,232)
1,044,413	95,323	138,306	205,351	2,941,852
$ 927,650	$ 17,447	$ 248,467	$ 205,937	$ 2,911,620

CITY OF WINFIELD, KANSAS

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Management Services	Operations Center	Accounts Receivable Financing
Cash flows from operating activities			
Payments to suppliers	$ (1,137,139)	$ (276,227)	$ -
Payments to employees	(1,474,040)	(230,732)	-
Payments of claims	-	-	-
Internal activity-receipts from other funds	2,504,604	479,190	-
Receipts from customers	-	-	8,072
Other receipts	157,650	9,305	
Net cash provided (used) by operating activities	51,075	(18,464)	8,072
Cash flows from noncapital financing activities			
Transfers (to) from other funds	9,650	1,250	-
Advances (to) from other funds	-	-	(8,072)
Net cash used by noncapital financing activities	9,650	1,250	(8,072)
Cash flows from capital and related financing activities			
Capital lease principal payments	(17,374)	-	-
Capital lease interest payments	(656)	-	-
Acquisition of capital assets	(51,142)	-	-
Net cash used by noncapital financing activities	(69,172)	-	-
Cash flows from investing activities			
Interest income	-	-	-
Net increase (decrease) in cash and cash equivalents	(8,447)	(17,214)	-
Balances - beginning of year	58,238	46,127	-
Balances - end of year	$ 49,791	$ 28,913	$ -

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities

Operating income (loss)	(47,081)	(65,523)	-
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	103,220	68,081	-
Changes in assets and liabilities:			
Receivables, net	(2,383)	-	8,072
Inventories	36	(1,493)	-
Compensated absences	(11,638)	(3,517)	-
Net OPEB obligations	16,238	3,210	-
Prepaids	-	-	-
Accounts and other payables	(7,317)	(19,222)	-
Total adjustments	98,156	47,059	8,072
Net cash provided (used) by operating activities	$ 51,075	$ (18,464)	$ 8,072
Noncash Transactions			
Capital asset transfers	$ -	$ 157,105	$ -

Risk Management Reserve	Workers' Compensation Reserve	Health Insurance Reserve	Short-Term Disability Reserve	Totals
$ (49,512)	$ (116,355)	$ (1,389,565)	$ -	$ (2,968,798)
-	-		-	(1,704,772)
(239,085)	(25,811)	-	-	(264,896)
-		1,533,103	-	4,516,897
-	-	-	-	8,072
160,867	27,476	-	-	355,298
(127,730)	(114,690)	143,538	-	(58,199)
-	-	(42,750)	-	(31,850)
-	17,000	-	-	8,928
-	17,000	(42,750)	-	(22,922)
-	-	-	-	(17,374)
-	-	-	-	(656)
-	-	-	-	(51,142)
-	-	-	-	(69,172)
			-	
2,726	205	278	586	3,795
(125,004)	(97,485)	101,066	586	(146,498)
1,053,903	98,224	27,485	205,351	1,489,328
$ 928,899	$ 739	$ 128,551	$ 205,937	$ 1,342,830
		-		
(119,489)	(95,081)	152,633	-	(174,541)
-	-	-	-	171,301
-	1,005	-	-	6,694
-	-	-	-	(1,457)
-	-		-	(15,155)
-	-	-	-	19,448
-	5,196	(9,095)	-	(3,899)
(8,241)	(25,810)	-	-	(60,590)
(8,241)	(19,609)	(9,095)	-	116,342
$ (127,730)	$ (114,690)	$ 143,538	$ -	$ (58,199)
$ -	$ -	$ -	$ -	$ 157,105

CITY OF WINFIELD, KANSAS

BUDGETED INTERNAL SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	MANAGEMENT SERVICES			OPERATIONS CENTER		
	Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
Revenues and other sources						
Interfund contributions	$ 2,564,394	$ 2,497,854	$ (66,540)	$ 552,278	$ 479,190	$ (73,088)
Transfers from other Funds	-	6,750	6,750	-	1,250	1,250
Other	136,000	168,944	32,944	1,100	9,305	8,205
Total revenues and other sources	2,700,394	2,673,548	(26,846)	553,378	489,745	(63,633)
Expenditures and other uses						
Personal services	2,022,342	1,962,817	59,525	351,395	330,057	21,338
Contractual services	432,135	482,930	(50,795)	117,930	87,291	30,639
Materials and supplies	147,255	131,704	15,551	70,428	50,138	20,290
Other	14,900	28,488	(13,588)	875	653	222
Capital outlay	64,800	51,933	12,867	12,750	22,541	(9,791)
Debt Service	17,962	18,030	(68)	-	-	-
Contingency	1,000	-	1,000	-	-	-
					-	
Total expenditures and other uses	2,700,394	2,675,903	24,492	553,378	490,680	62,698
Revenues and other sources over (under) expenditures and other uses	-	(2,355)	(2,355)	-	(935)	(935)
Unencumbered fund balance, January 1	72	$ 2,412	2,340	29	1,547	1,518
Unencumbered fund balance, December 31	$ 72	$ 57	$ (15)	$ 29	$ 612	$ 583

FIDUCIARY AND AGENCY FUNDS

Agency Funds

Payroll Clearing – acts as a clearing account for all City payroll transactions.

Sales Tax – to account for sales tax collected, to be remitted to State of Kansas.

Flex Medical - to collect and pass through flexible benefit contributions.

CITY OF WINFIELD, KANSAS

AGENCY FUNDS
COMBINING BALANCE SHEET
December 31, 2012

	Payroll Clearing	Sales Tax	Flex Medical	Total
Assets				
Pooled cash and investments	$ 150,193	$ (8,770)	$ 9,219	$ 150,642
Other receivables	-	31,441	-	31,441
Total assets	150,193	22,671	9,219	182,083
Liabilities				
Accounts payable	150,193	22,671	9,219	182,083
Total liabilities	150,193	22,671	9,219	182,083
Net Position	$ -	$ -	$ -	$ -

CITY OF WINFIELD, KANSAS

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance January 1 2012	Additions	Deductions	Balance December 31 2012
Pooled cash and investments				
Payroll clearing	$ 17,140	$ 12,043,888	$ 11,910,835	$ 150,193
Sales tax	(17,096)	813,492	805,166	(8,770)
Flex Medical	-	197,403	188,184	9,219
Total pooled cash and investments	44	13,054,783	12,904,185	150,642
Other receivables				
Payroll clearing	-	-	-	-
Sales tax	53,464	750,438	772,461	31,441
Flex Medical	-	-	-	-
Total other receviables	53,464	750,438	772,461	31,441
Total Assets	$ 53,508	$ 13,805,221	$ 13,676,646	$ 182,083
Accounts payable				
Payroll clearing	$ 17,140	$ 12,043,888	$ 11,910,835	$ 150,193
Sales tax	36,368	813,492	827,189	22,671
Flex Medical	-	188,184	234,993	(46,809)
Total accounts payable	53,508	13,045,564	12,973,017	126,055
Total Liabilities	$ 53,508	$ 13,045,564	$ 12,973,017	$ 126,055

CITY OF WINFIELD, KANSAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
DECEMBER 31, 2012

Governmental funds capital assets		**2012**
Land	$	1,900,215
Buildings		8,642,917
Improvements other than buildings		20,315,861
Machinery and equipment		8,437,015
Construction in progress		39,662
Total governmental funds capital assets	$	39,335,670
Investment in governmental funds capital assets by source:		
General fund	$	20,413,648
Special revenue funds		18,883,108
Construction project funds		38,914
Donations		-
Total governmental funds capital assets	$	39,335,670

This schedule presents only the capital asset balances related to governmental funds, including infrastructure.

CITY OF WINFIELD, KANSAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2012

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction in Progesss	Total
General government:						
Administrative/other	$ 80,668	$ 3,606,844	$ 4,023,288	$ 192,428	$ -	$ 7,903,228
Total general government	80,668	3,606,844	4,023,288	192,428	-	7,903,228
Public safety:						
Police	-	205,716	57,010	1,198,980	-	1,461,706
Fire	-	574,610	-	3,183,663	-	3,758,273
Public parking	171,124	-	31,497	27,286	-	229,907
Inspection	-	-	-	57,670	-	57,670
Total public safety	171,124	780,326	88,507	4,467,599	-	5,507,556
Highways and streets:	734,596	15,425	13,073,874	1,376,616	-	15,200,511
Culture and recreation	912,427	4,177,067	3,119,432	2,226,868	-	10,435,794
Cemetery	1,400	63,255	10,760	173,504	-	248,919
Construction in progress	-	-	-	-	39,662	39,662
Total governmental funds capital assets	$ 1,900,215	$ 8,642,917	$ 20,315,861	$ 8,437,015	$ 39,662	$ 39,335,670

This schedule presents only the capital asset balances related to governmental funds, including infrastructure.

CITY OF WINFIELD, KANSAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2012

Function and Activity	Governmental Funds Capital Assets Jan 1, 2012	Additions	Deductions	Transfers	Governmental Funds Capital Assets Dec 31, 2012
General government:					
Attorney	3,279	-	(784)	-	2,495
Other	4,238,265	3,664,208	(30,000)	29,006	7,901,479
Total general government	4,241,544	3,664,208	(30,784)	29,006	7,903,974
Public safety:					
Police	1,390,739	144,553	(44,555)	(29,028)	1,461,709
Fire	3,785,240	13,018	(26,142)	(13,843)	3,758,273
Public Parking	229,907	-	-	-	229,907
Inspection	53,471	10,695	(22,588)	16,092	57,670
Total public safety	5,459,357	168,266	(93,285)	(26,779)	5,507,559
Public works/streets	15,005,044	236,671	(41,205)	-	15,200,510
Culture and recreation	10,419,180	66,892	(68,686)	18,408	10,435,794
Cemetery	240,263	10,494	(1,838)	-	248,919
Under construction	38,914	-	-	-	38,914
Total governmental funds capital assets	$ 35,404,302	4,146,531	(235,798)	20,635	39,335,670

This schedule presents only the capital asset balances related to governmental funds, including infrastructure.

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT
COMBINING STATEMENT OF NET POSITION- BUSINESS TYPE ACTIVITY
JUNE 30, 2012

WINFIELD HOUSING AUTHORITY

Assets	
Current assets	
Cash and temporary investments	$ 326,780
Accounts receivable, net	565
HUD Grants receivable	55,702
Interest receivable	77
Prepaids and materials inventory	25,454
Total current assets	408,577
Capital Assets:	
Capital assets not be depreciated	52,776
Decpreciable capital assets	3,295,685
Less accumulated depreciation	(1,812,064)
Net capital assets	1,536,397
Other assets	
Utility deposits	12,432
Total other assets	12,432
Total assets	1,957,406
Liabilities	
Current liabilites	
Accounts payable	29,995
Accrued compensated absences	7,768
Total liabilities	37,763
Net Position	
Invested in capital assets	1,536,397
Restricted for capital projects	55,702
Unrestricted	327,545
Total Net Position	$ 1,919,644

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - BUSINESS-TYPE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2012

WINFIELD HOUSING AUTHORITY

Operating revenues	
Rental income	$ 149,527
Other	17,771
Total operating revenues	167,298
Operating expenses	
Services and supplies	202,531
Depreciation	93,311
Total operating expenses	295,842
Operating loss	(128,544)
Non-operating revenues	
Interest income	2,189
HUD Capital Improvement Grants	115,876
Other	-
Total non-operating revenues	118,065
Change in net position	(10,479)
Total net position - beginning	1,930,123
Total net position - ending	$ 1,919,644

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITY
DECEMBER 31, 2012

WINFIELD AREA EMERGENCY MEDICAL SERVICES (WAEMS)

Assets	
Current assets	
Cash and temporary investments	$71,580
Accounts receivable, net	161,617
Total current assets	$233,197
Capital Assets:	
Machinery, equipment	555,665
Less accumulated depreciation	(473,863)
Net capital assets	81,802
Total assets	314,999
Liabilities	
Current liabilites	
Accounts payable	58,211
Accrued compensated absences	20,764
Total liabilities	78,975
Net Position	
Invested in capital assets	81,801
Unrestricted	154,223
Total net position	$ 236,024

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - BUSINESS-TYPE
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

WINFIELD AREA EMERGENCY MEDICAL SERVICES (WAEMS)

Operating revenues	
Charges for services	$ 745,051
Other governmental contributions	263,000
Other capital contributions	49,980
Total operating revenues	1,058,031
Operating expenses	
Services and supplies	898,518
Depreciation	30,589
Total operating expenses	929,107
Net operating income	128,924
Non-operating revenues	
Interest income	36
Total non-operating revenues	36
Change in net position	128,960
Total net position - beginning	107,064
Total net position- ending	$ 236,024

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - GOVERNMENTAL TYPE
COMBINING BALANCE SHEET
DECEMBER 31, 2012

WINFIELD PUBLIC LIBRARY

Assets		
Cash and temporary investments	$	410,872
Total assets		410,872
Liabilities		
Accounts payable		1,790
Fund balance		409,082
Total liabilities and fund balance	$	410,872

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - GOVERNMENTAL TYPE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

WINFIELD PUBLIC LIBRARY

Revenues		
Property taxes	$	492,249
Intergovernmental revenue		5,364
Fines and penalties		11,795
Interest income		2,120
Charges for services and sales		6,549
Other		45,629
Total revenues		563,706
Expenditures		
Culture and recreation:		
Personal services		315,694
Contractual services and materials		142,321
Capital outlay		22,698
Other		16,449
Debt service		18,625
Total expenditures		515,788
Excess (deficiency) of revenues over (under) expenditures		47,918
Fund balance, beginning of year		361,164
Prior year adjustment		-
Fund balance, beginning of year, adjusted		361,164
Fund balance, end of year	$	409,082

Statistical Section

STATISTICAL SECTION

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the city's overall financial health.

Financial trends information helps the readers understand how the City's financial performance and well-being have changed over time.

Revenue capacity information is intended to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt capacity schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and economic indicators are offered to help the reader understand the environment within which the city's financial activities take place and to help make comparisons across time.

Operating information about the City and its resources is provided to help the reader understand how the city's financial information relates to the services provided and the activities the City performs.

City of Winfield, Kansas

Net Position by Component, Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	$ 15,253,792	$ 13,224,149	$ 12,278,113	$ 11,238,825
Restricted	281,192	1,836,860	2,488,485	2,757,530
Unrestricted	299,686	1,105,886	1,861,083	4,191,024
Total governmental activities net position	$ 15,834,670	$ 16,166,895	$ 16,627,681	$ 18,187,379
Business-type actvities				
Invested in capital assets, net of related debt	$ 33,869,612	$ 34,932,896	$ 36,087,472	$ 37,790,830
Restricted	1,239,303	306,551	202,003	202,297
Unrestricted	8,984,381	9,864,534	8,518,189	7,513,229
Total business-type activities net position	$ 44,093,296	$ 45,103,981	$ 44,807,664	$ 45,506,356
Primary government				
Invested in capital assets, net of related debt	$ 49,123,404	$ 48,157,045	$ 48,365,585	$ 49,029,655
Restricted	1,520,495	2,143,411	2,690,488	2,959,827
Unrestricted	9,284,067	10,970,420	10,379,272	11,704,253
Total primary government net position	$ 59,927,966	$ 61,270,876	$ 61,435,345	$ 63,693,735

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 1

Fiscal Year					
2007	2008	2009	2010	2011	2012
$ 13,588,751	$ 16,604,943	$ 18,467,441	15,221,844	16,091,925	16,850,705
1,984,745	1,697,377	744,041	1,100,540	1,001,143	903,217
3,851,314	1,613,399	1,747,071	4,814,451	4,296,353	5,240,513
$ 19,424,810	$ 19,915,719	$ 20,958,553	21,136,835	21,389,421	22,994,435
$ 37,500,763	$ 38,069,991	$ 39,034,768	39,238,338	38,560,011	37,304,887
201,918	200,316	200,000	200,000	-	-
8,171,934	6,429,463	8,171,269	9,145,650	11,038,264	11,902,772
$ 45,874,615	$ 44,699,770	$ 47,406,037	48,583,988	49,598,275	49,207,659
$ 51,089,514	$ 54,674,934	$ 57,502,209	54,460,182	54,651,936	54,155,592
2,186,663	1,897,693	944,041	1,300,540	1,001,143	903,217
12,023,248	8,042,862	9,918,340	13,960,101	15,334,617	17,143,285
$ 65,299,425	$ 64,615,489	$ 68,364,590	69,720,823	70,987,696	72,202,094

City of Winfield, Kansas

Changes in Net Position, Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
Governmental Activities:				
General government	$ 1,040,783	$ 1,113,430	$ 715,264	$ 1,010,093
Public safety	3,356,623	3,385,535	3,477,184	3,985,164
Public works/stormwater	1,373,515	1,554,939	1,712,656	2,147,916
Cemetery	139,508	143,665	156,388	150,677
Culture and recreation	1,662,247	1,657,742	1,874,254	1,596,973
Health and welfare	780,187	880,651	1,182,021	994,863
Economic development	167,920	163,517	200,051	130,861
Interest on debt	447,137	455,805	369,833	455,814
Total governmental activities expenses	8,967,920	9,355,284	9,687,651	10,472,361
Business-type activities:				
Electric	14,842,343	16,213,551	19,552,084	22,379,172
Gas	4,823,344	4,796,433	6,662,904	5,210,015
Water	1,663,201	1,614,989	1,905,225	1,833,590
Refuse	1,071,583	1,104,161	1,184,215	1,202,388
Wastewater	1,705,536	1,716,201	1,785,474	1,574,041
Golf course	672,691	656,842	636,572	857,222
Total business-type activities expenses	24,778,698	26,102,177	31,726,474	33,056,428
Total primary government expenses	$ 33,746,618	$ 35,457,461	$ 41,414,125	$ 43,528,789
Program Revenues				
Governmental activities:				
General government	$ 429,391	$ 464,967	$ 360,003	$ 344,835
Public safety	220,323	188,427	172,080	261,988
Public works/stormwater	85,118	127,639	158,272	152,111
Cemetery	44,475	37,050	50,338	41,090
Culture and recreation	376,533	316,582	385,571	450,224
Health and welfare	613,792	659,910	694,747	746,312
Operating grants and contributions	662,919	452,869	619,517	503,837
Capital grants and contributions	420,619	422,683	274,757	1,802,724
Total governmental activities program revenues	2,853,170	2,670,127	2,715,285	4,303,121
Business-type activities:				
Charges for services:				
Electric	18,139,113	17,977,388	19,824,019	22,984,484
Gas	5,340,838	5,154,458	6,695,359	6,157,572
Water	1,452,037	1,813,087	2,159,641	2,293,376
Refuse	1,012,291	1,011,891	1,129,186	1,257,396
Wastewater	1,526,984	1,552,929	1,536,054	1,522,009
Golf course	407,404	397,666	370,561	567,258
Capital grants and contributions	631,306	525,105	644,724	731,839
Total business-type activities program revenues	28,509,973	28,432,524	32,359,544	35,513,934
Total primary government program revenues	$ 31,363,143	$ 31,102,651	$ 35,074,829	$ 39,817,055

City of Winfield, Kansas

Changes in Net Position, Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2003	**2004**	**2005**	**2006**
Net (Expenses)/Revenue				
Governmental activities	$ (6,114,750)	$ (6,685,157)	$ (6,972,366)	$ (6,169,240)
Business-type activities	3,731,275	2,330,347	633,070	2,457,506
Total primary government net expense	$ (2,383,475)	$ (4,354,810)	$ (6,339,296)	$ (3,711,734)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	$ 2,997,374	$ 3,126,752	$ 3,105,420	$ 3,313,225
Sales taxes	1,379,400	1,542,114	1,514,594	1,602,854
Franchise taxes	132,719	188,149	221,656	221,379
Other taxes	141,005	127,551	131,823	136,585
Payments in lieu of taxes	1,560,510	1,566,880	1,815,685	2,033,593
Investment earnings	127,150	85,195	115,247	211,789
Miscellaneous	338,863	130,604	(18,886)	146,328
Special items	-	-	-	-
Transfers	(321,036)	(76,950)	(410,948)	(65,699)
Total governmental activities	6,355,985	6,690,295	6,474,591	7,600,054
Business-type activities				
Investment earnings	210,595	170,268	245,094	280,672
Miscellaneous	(700,740)	-	61,868	32,857
In lieu of franchise fees	(1,560,510)	(1,566,880)	(1,815,685)	(2,033,593)
Transfers	321,036	76,950	410,948	65,699
Total business-type activities	(1,729,619)	(1,319,662)	(1,097,775)	(1,654,365)
Total primary government	$ 4,626,366	$ 5,370,633	$ 5,376,816	$ 5,945,689
Change in Net Position				
Governmental activities		$ 5,138	$ (497,775)	$ 1,430,814
Business-type activities		1,010,685	(464,705)	803,141
Total primary government		$ 1,015,823	$ (962,480)	$ 2,233,955

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 2

Fiscal Year					
2007	2008	2009	2010	2011	2012
$ 1,037,652	$ 1,007,890	$ 1,136,384	$ 1,378,157	$ 1,284,081	$ 1,296,695
3,961,982	4,799,553	4,363,022	4,486,349	4,493,341	4,588,327
1,475,426	1,750,265	1,511,058	1,391,930	1,392,216	1,413,920
158,684	163,789	142,764	164,665	145,656	156,726
1,802,510	2,157,393	1,405,506	1,910,251	2,044,763	1,986,876
1,080,507	313,261	353,557	333,945	341,963	344,062
148,996	175,827	165,271	148,777	185,683	305,823
558,877	525,663	483,691	500,300	452,192	487,573
10,224,634	10,893,641	9,561,253	10,314,374	10,339,895	10,580,002
21,790,211	25,974,432	20,755,104	21,107,926	22,331,177	24,216,773
5,602,811	6,249,824	4,565,950	4,433,654	4,160,674	3,507,599
2,383,522	2,461,897	2,443,606	2,318,531	2,354,597	2,433,503
1,250,860	1,305,321	1,231,637	1,200,127	1,247,376	1,151,417
1,965,895	1,900,444	1,730,487	1,865,241	1,849,088	1,844,635
848,813	939,736	881,196	813,684	762,407	681,748
33,842,112	38,831,654	31,607,980	31,739,163	32,705,319	33,835,675
$ 44,066,746	$ 49,725,295	$ 41,169,233	$ 42,053,537	$ 43,045,214	$ 44,415,677
$ 339,026	$ 403,991	$ 401,180	$ 662,013	$ 351,445	$ 336,317
196,713	213,522	244,913	223,217	217,361	233,349
152,488	157,989	168,703	149,339	149,761	150,130
31,275	43,285	51,560	53,860	70,245	63,810
442,341	479,106	520,190	544,552	532,471	508,072
816,546	188,322	189,415	189,856	187,630	178,714
517,649	469,169	484,355	641,420	553,306	646,035
29,610	2,247,932	594,320	13,286	55,651	1,118,000
2,525,648	4,203,316	2,654,636	2,477,543	2,117,870	3,234,427
23,993,402	24,141,325	24,760,069	22,771,769	24,623,166	26,074,970
5,804,699	6,586,008	5,501,142	5,455,036	4,955,953	3,750,750
2,163,925	2,053,763	2,040,831	2,134,745	2,375,968	2,470,167
1,408,661	1,468,186	1,379,395	1,401,131	1,394,287	1,379,195
1,497,631	1,645,841	1,672,416	1,809,506	1,942,758	2,072,943
506,487	510,225	508,703	468,167	459,404	448,759
572,037	456,579	199,131	798,404	113,230	85,932
35,946,842	36,861,927	36,061,687	34,838,758	35,864,766	36,282,716
$ 38,472,490	$ 41,065,243	$ 38,716,323	$ 37,316,301	$ 37,982,636	$ 39,517,143

Table 2

Fiscal Year					
2007	2008	2009	2010	2011	2012
$ (7,698,986)	$ (6,690,325)	$ (6,906,617)	$ (7,836,831)	$ (8,222,025)	$ (7,345,575)
2,104,730	(1,969,727)	4,453,707	3,099,595	3,159,447	2,447,041
$ (5,594,256)	$ (8,660,052)	$ (2,452,910)	$ (4,737,236)	$ (5,062,578)	$ (4,898,534)
$ 3,563,739	$ 3,613,367	$ 3,946,608	$ 3,995,278	$ 4,133,774	$ 3,941,589
1,653,458	1,796,192	1,642,867	1,650,437	1,802,734	1,744,484
224,057	232,233	208,506	217,851	197,907	247,602
136,946	119,667	117,440	127,883	164,781	144,171
2,132,120	2,209,504	2,097,169	1,987,491	2,090,193	2,576,964
239,348	159,269	67,920	21,433	9,874	11,056
207,280	68,148	107,661	44,392	-	-
-	1,976,607	-	-	-	-
(25,781)	(693,327)	(238,720)	(29,652)	75,348	284,722
8,131,167	9,481,660	7,949,451	8,015,113	8,474,611	8,950,588
369,868	230,619	111,009	36,195	20,381	24,030
-	-	-	-	-	-
(2,132,120)	(2,209,504)	(2,097,169)	(1,987,491)	(2,090,193)	(2,576,964)
25,781	693,327	238,720	29,652	(75,348)	(284,722)
(1,736,471)	(1,285,558)	(1,747,440)	(1,921,644)	(2,145,160)	(2,837,656)
$ 6,394,696	$ 8,196,102	$ 6,202,011	$ 6,093,469	$ 6,329,451	$ 6,112,932
$ 432,181	$ 2,791,335	$ 1,042,834	$ 178,282	$ 252,586	$ 1,605,013
368,259	(3,255,285)	2,706,267	1,177,951	1,014,287	(390,615)
$ 800,440	$ (463,950)	$ 3,749,101	$ 1,356,233	$ 1,266,873	$ 1,214,398

City of Winfield, Kansas

Program Revenues by Function/Program, Last Ten Fiscal Years

(accrual basis of accounting)

	Program Revenues				
	2003	2004	2005	2006	2007
Function/Program					
Governmental activities:					
General government	$ 576,835	$ 477,324	$ 360,515	$ 344,835	$ 391,329
Public safety	402,290	353,989	485,735	330,675	204,980
Public works/stormwater	737,071	580,508	738,379	2,320,215	625,167
Cemetery	44,475	37,050	50,338	49,360	31,275
Culture and recreation	478,707	561,346	385,571	511,724	456,351
Health and welfare	613,792	659,910	694,747	746,312	816,546
Subtotal governmental activities	2,853,170	2,670,127	2,715,285	4,303,121	2,525,648
Business-type activities:					
Electric	18,738,510	18,465,605	20,388,320	23,639,660	24,414,753
Gas	5,361,197	5,165,526	6,721,047	6,190,388	5,825,189
Water	1,462,241	1,838,907	2,189,376	2,337,223	2,194,318
Refuse	1,012,291	1,011,891	1,154,186	1,257,396	1,408,661
Wastewater	1,528,330	1,552,929	1,536,054	1,522,009	1,597,434
Golf course	407,404	397,666	370,561	567,258	506,487
Subtotal business-type activities	28,509,973	28,432,524	32,359,544	35,513,934	35,946,842
Total primary government	$ 31,363,143	$ 31,102,651	$ 35,074,829	$ 39,817,055	$ 38,472,490

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 3

Program Revenues

2008	2009	2010	2011	2012
$ 403,991	$ 401,205	$ 710,092	$ 468,445	$ 406,067
341,770	299,786	242,802	256,669	271,093
2,684,476	653,058	735,930	571,278	1,804,932
43,285	52,160	54,310	70,845	64,494
541,472	1,059,012	544,552	563,003	509,127
188,322	189,415	189,856	187,630	178,714
4,203,316	2,654,636	2,477,542	2,117,870	3,234,427
24,483,928	24,942,711	23,530,926	24,693,816	26,155,695
6,608,856	5,506,348	5,461,785	4,963,475	3,751,318
2,092,727	2,052,114	2,167,244	2,398,876	2,473,951
1,468,186	1,379,395	1,401,131	1,394,287	1,379,195
1,698,005	1,672,416	1,809,506	1,954,908	2,073,798
510,225	508,703	468,167	459,404	448,759
36,861,927	36,061,687	34,838,759	35,864,766	36,282,716
$ 41,065,243	$ 38,716,323	$ 37,316,301	$ 37,982,636	$ 39,517,143

City of Winfield, Kansas

Fund Balances, Governmental Funds, Last Ten Fiscal Years

(modified accrual basis of accounting)

	2003	2004	2005	2006
General fund				
Reserved	$ 33,340	$ 37,848	$ 20,265	$ 20,265
Unreserved	604,905	389,343	261,816	328,229
Total general fund	$ 638,245	$ 427,191	$ 282,081	$ 348,494
All other governmenal funds				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	693,518	642,062	603,974	1,077,822
Unreserved, reported in:				
Capital project funds	703,983	469,499	459,651	732,733
Special revenue funds	2,043,023	2,242,289	1,761,955	1,720,792
Permanent funds	6,000	6,000	6,000	6,000
Debt service funds	238,485	97,734	-	-
Total all other governmental funds	$ 3,685,009	$ 3,457,584	$ 2,831,580	$ 3,537,347

Table 4

Fiscal Year					
2007	**2008**	**2009**	**2010**	**2011**	**2012**
$ 20,845	$ 41,336	$ 24,847	$ 28,911	$ 20,265	$ 20,265
502,481	331,883	336,688	226,205	418,171	464,835
$ 523,326	$ 373,219	$ 361,535	$ 255,116	$ 438,436	$ 485,100
$ -	$ -	$ -	$ -	$ 6,000	$ 6,000
-	-	-	-	995,143	1,575,860
-	-	-	-	422,139	348,373
-	-	-	-	(33,924)	669,560
-	-	-	-	-	-
1,113,485	812,756	517,816	322,885	-	-
(201,894)	41,825	(716,253)	(42,980)	-	-
1,463,104	1,449,307	1,548,805	1,365,334	-	-
6,000	6,000	6,000	6,000	-	-
133	455	190,846	131,214	-	-
$ 2,380,828	$ 2,310,343	$ 1,547,214	$ 1,782,453	$ 1,389,358	$ 2,599,793

City of Winfield, Kansas

Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Revenues				
Property taxes	$ 2,997,374	$ 3,126,752	$ 3,105,420	$ 3,313,225
Sales taxes	1,379,400	1,542,114	1,514,594	1,602,854
Intergovernmental revenue	1,358,166	1,125,975	1,063,211	1,114,731
Charges for services	1,125,606	1,139,145	1,193,830	1,304,633
Franchise taxes	141,005	188,149	221,656	221,379
Special assessments	147,444	165,447	108,304	116,141
Fines and penalties	158,459	159,399	152,098	181,605
Licenses, fees, and permits	28,279	26,451	23,816	26,695
Investment earnings	127,332	89,192	109,012	161,710
Other revenues	220,135	146,413	254,032	85,864
Total revenues	7,683,200	7,709,037	7,745,973	8,128,837
Expenditures				
General government	964,763	1,059,035	712,127	969,761
Employee benefits [1]	-	-	-	-
Public safety	3,154,017	3,319,716	3,603,633	4,778,405
Public works/streets	1,150,330	2,091,819	971,878	2,061,131
Cemetery	119,332	131,695	142,741	136,395
Culture and recreation	1,336,361	1,530,375	1,670,885	1,493,300
Health and welfare	724,297	840,016	1,132,670	923,021
Economic development	167,920	498,892	206,180	136,956
Debt service:				
Debt principal payments	1,033,354	1,189,256	2,434,725	2,224,784
Debt interest payments	399,214	482,977	452,675	348,301
Temporary note principal pymts	-	-	-	-
Temporary note interest pymts	-	-	-	-
Discount on temporary note	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay	3,819,259	220,272	701,290	1,856,253
Total expenditures	12,868,847	11,364,053	12,028,804	14,928,307
Excess of revenues over (under) expenditures	(5,185,647)	(3,655,016)	(4,282,831)	(6,799,470)
Other Financing Sources (Uses)				
Transfers in	1,753,715	1,965,650	2,022,142	2,092,366
Transfers out	(1,809,390)	(1,908,495)	(1,843,397)	(2,036,628)
Transfers in - Pymts in lieu of franchise fees	1,560,510	1,566,880	1,815,684	2,033,593
Issuance of temporary notes	-	1,195,000	755,000	2,326,594
Issuance of bonds	3,191,950	-	3,015,000	1,115,000
Issuance of KDOT debt	-	-	-	800,000
Issuance of capital lease	92,417	271,080	-	1,231,360
Payments to escrow agent	(481,950)	-	(2,130,000)	-
Advance payments of specials	-	-	-	-
Insurance recoveries	-	-	-	-
Capital lease proceeds	-	-	-	-
KDOT loan proceeds	-	-	-	-
Debt issuance costs	-	-	-	-
G.O. refunding bond proceeds	-	-	-	-
G.O. refunding bond premium	-	-	-	-
Sales of property	87,853	118,221	47,095	9,364
Total other financing sources (uses)	4,395,105	3,208,336	3,681,524	7,571,649
Net change in fund balances	$ (790,542)	$ (446,680)	$ (601,307)	$ 772,179
Debt service as a percentage of noncapital expenditures	15.8%	17.2%	25.2%	22.3%

[1] The City utilized an 'employee benefits' fund in years 1997 through 2002. Employee benefits are allocated to each function in years 2003 and forward .

Table 5

Fiscal Year					
2007	2008	2009	2010	2011	2012
$ 3,563,739	$ 3,613,367	$ 3,946,608	$ 3,995,277	$ 4,133,774	$ 3,941,589
1,653,458	1,796,192	1,642,867	1,650,437	1,802,734	1,744,484
1,059,395	1,228,607	1,130,876	1,209,844	1,107,981	1,166,436
1,327,286	661,048	625,933	747,203	770,710	559,154
224,057	232,233	208,506	217,851	197,907	247,603
175,857	168,392	163,672	206,224	207,926	256,707
177,248	176,362	160,454	132,875	134,467	120,658
23,943	56,228	57,929	49,586	70,546	82,150
177,237	122,941	54,327	16,513	7,318	6,057
158,596	201,090	351,214	65,241	134,958	2,201,816
8,540,816	8,256,460	8,342,386	8,291,051	8,568,321	10,326,654
1,008,833	993,000	1,033,537	1,052,806	1,344,999	1,181,274
-	-	-	-	-	-
3,915,641	4,556,668	4,310,118	4,362,464	4,311,581	4,613,336
2,493,546	2,685,567	1,427,589	1,008,716	651,094	1,028,453
148,326	152,279	140,513	163,761	160,580	160,451
1,589,068	1,729,654	2,171,340	1,778,099	1,793,269	1,805,704
1,037,528	313,261	353,557	333,945	341,963	344,062
155,244	175,827	165,271	148,777	185,683	3,956,430
1,570,117	1,466,001	1,242,033	1,328,559	1,794,554	966,116
452,344	363,499	466,280	482,537	597,363	512,828
-	5,280,000	-	-	-	
-	168,106	-	-	-	
-	8,040	-	-	-	
-	41,686	-	-	-	
236,480	305,879	555,840	362,291	443,657	279,691
12,607,127	18,239,467	11,866,078	11,021,955	11,624,743	14,848,345
(4,066,311)	(9,983,007)	(3,523,692)	(2,730,904)	(3,056,422)	(4,521,691)
2,222,154	2,138,437	1,958,394	2,086,218	2,729,475	2,093,424
(2,180,162)	(2,049,767)	(1,983,495)	(2,101,654)	(1,973,021)	(1,970,140)
2,132,120	2,209,504	2,097,169	1,987,491	2,090,193	2,576,965
-	2,945,000	-	-	-	3,410,000
-	4,525,000	-	-	-	-
659,701	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(1,144,247)	-	(1,833,955)
-	162,174	-	-	-	-
-	-	429,781	-	-	-
-	-	227,844	-	-	-
-	-	-	630,970	-	-
-	-	-	(18,798)	-	(17,505)
-	-	-	1,398,246	-	1,520,000
-	-	-	18,898	-	-
250,810	-	19,186	2,600	-	-
3,084,623	9,930,348	2,748,879	2,859,724	2,846,647	5,778,789
$ (981,688)	$ (52,659)	$ (774,813)	$ 128,820	$ (209,775)	$ 1,257,098
18.9%	12.0%	17.9%	17.5%	21.6%	13.8%

City of Winfield, Kansas

Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years

(in thousands of dollars)

Table 6

Fiscal Year	Real Property	Personal Property	[a] Utilities	Motor Vehicles	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2003	46,522	13,669	1,694	10,178	72,063	47.281	445,311	16.18%
2004	46,697	9,622	1,657	10,286	68,262	47.107	527,998	12.93%
2005	49,812	10,858	1,620	10,255	72,545	47.010	454,766	15.95%
2006	50,824	10,172	1,856	10,150	73,002	51.184	468,263	15.59%
2007	53,474	11,277	1,795	10,468	77,014	50.471	485,868	15.85%
2008	55,940	7,697	1,652	10,421	75,710	52.640	485,765	15.59%
2009	56,560	7,446	1,663	10,083	75,752	54.552	478,410	15.83%
2010	56,166	6,855	1,733	9,731	74,485	56.746	475,007	15.68%
2011	55,746	4,942	82	9,741	70,511	56.466	422,422	16.69%
2012	57,032	6,296	69	9,848	73,245	55.068	488,629	14.99%

Source: Cowley County Clerk, Treasurer, and Appraiser Offices

Notes: Property in Cowley County is reassessed annually. Commercial property is assessed at 25% of actual value, and residential at 11.5%.

[a] includes oil and gas. Beginning in 2007, certain types of personal property were removed from the tax rolls.

City of Winfield, Kansas

Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years

(rate per $1,000 pf assessed dollars)

				Overlapping Rates			
Year	Basic Rate	General Obligation Debt Svce	Total Direct Rate	[a] USD 465	[b] State of Kansas	[b] Community College	[b] Cowley County
2003	36.620	10.661	47.281	56.358	1.500	17.561	32.491
2004	36.487	10.620	47.107	55.957	1.500	17.423	34.797
2005	35.685	11.325	47.010	56.239	1.500	18.425	36.754
2006	40.778	10.406	51.184	58.327	1.500	18.595	39.035
2007	40.487	9.984	50.471	56.222	1.500	19.932	40.876
2008	40.893	11.747	52.640	60.679	1.500	19.976	42.270
2009	45.363	9.189	54.552	59.346	1.500	20.226	42.064
2010	47.096	9.650	56.746	62.251	1.500	20.219	43.036
2011	46.816	9.650	56.466	63.096	1.500	20.013	43.420
2012	45.704	9.364	55.068	58.600	1.500	19.020	40.100

Source: Cowley County Clerk's office

Notes: The city's property tax rates are set annually by the City commission. Rates for debt servcie are set based on each year's requirements. Overlapping rates are those of local and county govenrments that apply to property owners within the City of Winfield.

[a] Approximately 76% of USD 465 property taxes are paid by City of Winfield citizens.
[b] Approximately 30% of Cowley County, the State of Kansas and the Community College property taxes are paid by City of Winfield citizens.

City of Winfield, Kansas

Principal Property Taxpayers
Current Year and Nine Years Ago

Table 8

	2012			2003		
Taxpayer	Assessed Valuation [1]	Rank	Percentage of Total City Taxable Assessed Value [a]		Rank	Percentage of Total City Taxable Assessed Value [a]
Newell Rubbermaid	$ 4,338,575	1	6.84%	$ 9,983,716	1	18.88%
Walmart	2,256,677	2	3.56%	376,391	6	0.81%
Insite	1,660,806	3	2.62%	-	-	-
Winfield Economic Development, Inc	1,185,300	4	1.87%	1,195,143	2	2.35%
Meadwestvaco	1,067,054	5	1.68%	-	-	-
Union Pacific Railroad	780,519	6	1.23%	-	-	-
Calmar	719,583	7	1.14%	-	-	-
General Electric Company	690,969	8	1.09%	-	-	-
Dillons	554,245	9	0.87%	-	-	-
Webster	419,486	10	0.66%	-	-	-

[a] excludes motor vehicle valuation

Source: Cowley County Appraiser's Office

City of Winfield, Kansas

Property Tax Levies and Collections, Last Ten Fiscal Years

Table 9

Year	Taxes Levied For Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years [a]	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	2,857,163	$ 2,567,732	89.87%	15,479	2,583,211	90.41%
2004	2,925,990	$ 2,672,634	91.34%	23,717	2,696,351	92.15%
2005	2,730,930	$ 2,661,557	97.46%	45,666	2,707,223	99.13%
2006	2,928,070	$ 2,774,735	94.76%	50,203	2,824,938	96.48%
2007	3,224,850	$ 3,066,776	95.10%	54,037	3,120,813	96.77%
2008	3,361,313	$ 3,093,973	92.05%	60,621	3,154,594	93.85%
2009	3,439,637	$ 3,357,994	97.63%	65,116	3,423,110	99.52%
2010	3,571,586	$ 3,462,827	96.95%	53,150	3,515,977	98.44%
2011	3,532,436	$ 3,493,214	98.89%	32,621	3,525,835	99.81%
2012	3,532,435	$ 3,371,833	95.45%	42,135	3,413,968	96.65%

Source: Cowley County Clerk and County Treasurer's office

[a] Excludes interest penalties

City of Winfield, Kansas

Ratios of Outstanding Debt by Type, Last Ten Fiscal Years

(dollars in thousands)

Table 10

	Governmental Activities						
Year	General Obligation Bonds	Sales Tax Revenue Bonds	Temporary Notes	KDOT Loan	Contractual Debt	Certificates of Participation	Capital Leases
2003	10,185	690	-	-	297	482	101
2004	9,205	590	1,195	-	266	412	334
2005	9,235	485	755	-	234	333	283
2006	9,365	375	2,335	800	201	253	1,219
2007	8,300	260	2,335	1,389	169	171	911
2008	11,730	145	-	1,232	136	87	827
2009	10,870	25	-	1,702	104	-	992
2010	11,552	-	-	71	72	-	831
2011	10,373	-	-	36	39	-	663
2012	9,071	-	3,410	-	33	-	498

	Business-type Activities								
Year	General Obligation Bonds	Utility Revenue Bonds	Temporary Notes	KDHE Loans	Certificates of Parti-cipation	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2003	-	605	-	8,673	3,123	1,089	25,245	2.9%	2,101
2004	-	-	-	13,047	2,808	762	28,619	3.3%	2,382
2005	-	-	-	13,397	2,437	10	27,169	3.1%	2,286
2006	-	-	-	12,898	2,057	-	29,503	2.9%	2,513
2007	-	-	-	12,242	1,669	-	27,446	2.5%	2,379
2008	-	-	-	11,563	1,273	-	26,993	2.6%	2,348
2009	-	-	-	10,911	860	106	25,570	2.3%	2,294
2010	6,618	-	-	3,937	445	58	23,584	2.1%	1,917
2011	6,197	-	-	3,499	-	9	20,816	1.7%	1,693
2012	5,774		550	-	-	3,064	22,400	1.9%	1,812

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See Table 15 for personal income and per capita data

City of Winfield, Kansas

Ratio of General Bonded Debt Outstanding, Last Ten Fiscal Years

(dollars in thousands, except per capita)

Table 11

Year		General Bonded Debt Outstanding [c] General Obligation Bonds	Temporary Notes	KDOT GO Debt	LESS: Amounts Restricted to Repaying Principal	Total	Percentage of Actual Taxable Value of Property [a]	Per Capita [b]
2003		10,185	-	-	(144)	10,041	2.25%	836
2004		9,205	1,195	-	(167)	10,233	1.94%	852
2005		9,235	755	-	(78)	9,912	2.18%	834
2006		9,365	2,335	-	(7)	11,693	2.50%	996
2007		8,300	1,389	7	(79)	9,617	1.98%	833
2008		11,730	1,232	1,232	(79)	14,115	2.91%	1,228
2009		10,870	1,702	1,072	(191)	13,453	2.81%	1,207
2010		18,170	71	72	(131)	18,182	3.83%	1,478
2011		16,570	-	36	(159)	16,447	3.89%	1,338
2012	[d]	14,865	3,960	-	(208)	18,617	3.81%	1,506

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[a] See T-6 for property value data
[b] Population data can be found in Table 15
[c] In accordance with KSA 10-1116 and KSA 79-5028, KDOT loans constitute 'bonds' characterization. KDOT debt for street improvements are being repaid as general obligation debt.
[d] Includes $5,774 thousand of GO debt, that is being repaid from water revenues.

City of Winfield, Kansas

Direct and Overlapping Governmental Activities Debt
As of December 31, 2012
(dollars in thousands)

Jurisdiction	General Obligation Bonded Debt Outstanding	Temporary Notes Outstanding	Capital Leases Outstanding	Interlocal Debt	Estimated Percentage Applicable to City of Winfield	Amount Applicable to City of Winfield
Direct:						
[a] City of Winfield	$ 9,127	$ 3,410	$ 498	$ 31	100.00%	$ 13,066
Overlapping:						
USD #465	$ 17,815	$ -	$ 3,481	$ -	71.52%	$ 12,742
Cowley County	5,785	-	-	-	28.24%	1,634
Total Overlapping Debt	32,727	3,410	3,979	31		14,376
Total direct and overlapping debt				Total	$ 40,147	$ 27,442

[a] includes portion of GO bonds to be paid through property taxes

Sources: Assessed valuation provided by Cowley County Clerk.
Debt outstanding data is provided by each governmental unit.

Percentage of debt applicable to the city of Winfield is based on the proportion that the assessed valuation of the city of Winfield bears to the assessed valuation of the overlapping entity.

City of Winfield, Kansas

Legal Debt Margin Information, Last Ten Fiscal Years

(dollars in thousands)

Table 13

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit [1]	$ 21,619	$ 20,479	$ 21,764	$ 21,901	$ 23,104	$ 22,713	$ 22,726	$ 22,346	$ 21,153	$ 21,974
Total debt subject to full faith, credit of city	18,528	23,447	23,387	25,398	24,267	24,525	22,853	22,178	20,105	14,865
Less self-supporting debt [2]	(8,673)	(13,047)	(13,397)	(12,898)	(12,242)	(11,563)	(10,911)	(10,555)	(9,696)	(5,773)
Total net debt applicable to limit	9,855	10,400	9,990	12,500	12,025	12,962	11,942	11,623	10,409	9,092
Legal debt margin	$ 11,764	$ 10,079	$ 11,774	$ 9,401	$ 11,079	$ 9,751	$ $ 10,784	$ 10,723	$ 10,744	$ 12,882
Total net debt applicable to the limit as a percentage of debt limit	45.59%	50.78%	45.90%	57.08%	52.05%	57.07%	52.55%	52.01%	49.21%	41.38%

[1] Under K.S.A. 10-308, the city's outstanding bonded indebtedness cannot exceed 30 percent of assessed valuation of the city.

[2] Principal amount of City's general obligation and state revolving fund debt which is anticipated to be paid from net revenues from the operation of the City's water and sewer systems.

City of Winfield, Kansas

Pledged-Revenue Coverage, Last Ten Fiscal Years

(dollars in thousands)

Table 14

Electric Revenue Bonds and Certificates of Participation Debt [2]

Year	Utility Service Charges	Less: Operating Expenses [1]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2003	18,139	14,410	3,729	951	147	3.40
2004	17,981	15,883	2,098	982	107	1.93
2005	19,824	19,393	431	812	51	0.50
2006	22,984	22,692	292	80	15	3.07
2007	23,993	22,256	1,737	82	13	18.28
2008	24,141	26,231	(2,090)	84	12	(21.77)
2009	24,760	21,093	3,667	87	8	38.60
2010	21,669	20,964	705	90	5	7.42
2011	24,650	23,879	771	93	1	8.20
2012	26,098	24,202	1,896	-	-	-

Water Revenue Bonds and KDHE Debt

Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2003	1,452	1,433	19	77	95	0.11
2004	1,821	1,418	403	80	93	2.33
2005	2,160	1,708	452	84	88	2.63
2006	2,293	1,187	1,106	303	306	1.82
2007	2,164	1,764	400	301	305	0.66
2008	2,054	1,810	244	317	289	0.40
2009	2,041	1,819	222	329	276	0.37
2010	2,135	1,741	394	342	263	0.65
2011	2,376	2,326	50	421	149	0.09
2012	2,470	2,288	182	421	148	0.32

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] Operating expenses do not include interest/amortization expense, but do include payments in lieu of franchise fees

[2] Certification of Participation was paid in full in 2012.

City of Winfield, Kansas

Pledged-Revenue Coverage, Last Ten Fiscal Years

(dollars in thousands)

Table 14 (cont.)

Wastewater KDHE Debt

Year	Utility Service Charges	Less: Operating Expenses [1]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2003	1,527	901	626	309	202	1.23
2004	1,554	917	637	319	195	1.24
2005	1,536	987	549	329	181	1.08
2006	1,522	767	755	340	170	1.48
2007	1,498	1,091	407	351	162	0.79
2008	1,646	1,110	536	363	151	1.04
2009	1,672	936	736	413	153	1.30
2010	1,810	1,095	715	434	132	1.26
2011	1,943	1,729	214	438	125	0.38
2012	2,073	1,781	292	465	87	0.53

Quail Ridge Golf Course Certificates of Participation Debt [2]

Year	Golf Course Fees	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2003	420	340	80	241	135	0.21
2004	407	348	59	256	149	0.15
2005	398	408	(10)	256	68	(0.03)
2006	371	407	(36)	301	61	(0.10)
2007	506	655	(149)	307	50	(0.42)
2008	510	731	(221)	312	41	(0.63)
2009	509	681	(172)	326	31	(0.48)
2010	468	615	(147)	325	20	(0.43)
2011	459	753	(294)	352	7	(0.82)
2012	449	674	(225)	-	-	0.00

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] Operating expenses do not include interest/amortization expense, but do include payments in lieu of franchise fees.

[2] Certification of Participation was paid in full in 2012.

City of Winfield, Kansas

Pledged-Revenue Coverage, Last Ten Fiscal Years

(dollars in thousands)

Table 14 (continued)

	Special Assessment Bonds			
	Special Assessment	Debt Service [1]		
Year	Collections	Principal	Interest	Coverage
2003	147	129	34	0.90
2004	165	128	34	1.02
2005	108	129	30	0.68
2006	116	133	25	0.73
2007	176	112	121	0.76
2008	168	155	68	0.75
2009	164	69	123	0.85
2010	206	186	152	0.61
2011	208	192	145	0.62
2012	257	219	138	0.72

	Sales Tax Revenue Bonds [2]			
	Sales Tax	Debt Service		
Year	Collections	Principal	Interest	Coverage
2003	1,379	100	19	11.59
2004	1,542	100	21	12.74
2005	1,515	105	18	12.32
2006	1,602	110	16	12.71
2007	1,653	115	13	12.91
2008	1,768	115	9	14.26
2009	1,643	120	5	13.14
2010	1,653	25	1	63.58
2011	1,781	-	-	-
2012	1,746	-	-	-

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] Debt service includes total project costs, including city-at-large portion

[2] The City's 1 percent sales tax is pledged against payment of the 2002 refunding sales tax bonds. Bonds paid in full in 2010

City of Winfield, Kansas

Pledged-Revenue Coverage, Last Ten Fiscal Years

(dollars in thousands)

Table 14 (concluded)

	KDOT Stormwater Revenue Debt					
				Debt Service		
Year	Stormwater Revenue Collections	Less: Operating Expenses [1]	Net Available Revenue	Principal	Interest	Coverage
2007	$ 152	$ 47	$ 105	$ 70	$ 28	1.07
2008	158	92	66	70	28	0.67
2009	149	35	114	73	25	1.16
2010	149	61	88	75	23	0.90
2011	150	114	36	82	9	0.40
2012	150	106	44	84	7	0.48

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] Operating expenses do not include interest/amortization expense, but do include payments in lieu of franchise fees

City of Winfield, Kansas

Demographic and Economic Statistics, Last Ten Fiscal Years

Table 15

Year	Population [1]	Personal Income [1] *(thousands of dollars)*	Per Capita Personal Income [1]	School Enrollment [2]	Unemployment Rate [3]
2002	12,158	808,719	24,576	2,790	7.0%
2003	12,016	866,419	25,431	2,514	6.3%
2004	12,016	864,007	26,292	2,470	6.5%
2005	11,886	873,042	26,942	2,411	5.8%
2006	11,741	1,016,576	29,304	2,403	4.7%
2007	11,539	1,081,637	30,471	2,384	3.4%
2008	11,497	1,051,005	31,713	2,434	5.4%
2009	11,148	1,126,122	30,391	2,475	6.8%
2010	12,301	1,135,511	30,359	2,536	7.1%
2011	12,292	1,196,317	32,982	2,461	6.2%
2012	12,365	NA	NA	2,318	5.8%

[1] Provided by Kansas University Institute for Policy and Social Research and U.S. Burea of Economic Analysis. 2012 information not available as of publication date for per capita personal income, or 2012 personal income figures

[2] Provided by U.S.D. #465. Includes public school system only. Non-weighted FTE.

[3] Kansas Department of Human Resources, Cowley First, end of year

City of Winfield, Kansas

Principal Employers, Current Year and Nine Years Ago

Table 16

	2012			2003		
Employer	Estimated Employees	Rank	Percentage of Total County Employment	Estimated Employees	Rank	Percentage of Total County Employment
Newell-Rubbermaid	969	1	5.70%	796	2	4.68%
General Electric Co	800	2	4.71%	920	1	5.41%
Creekstone Farms Premium Beef	720	3	4.24%	500	4	2.94%
U.S. D. #465	645	4	3.79%	568	3	3.34%
U.S. D. #470	463	5	2.72%	400	5	2.35%
William Newton Memorial Hospital	325	6	1.91%	233	8	1.37%
Calmar, Inc (MeadWestVaco)	305	7	1.79%	206	9	1.21%
Kan-Pak	229	8	1.35%	N/A		N/A
South Centeral Medical Center	216	9	1.27%	150	14	0.88%
Western Industries	207	10	1.22%	159	12	0.94%
Southwestern College	200	11	1.18%	188	11	1.11%
Winfield Correctional Facility	200	12	1.18%	300	6	1.76%
Galaxy Technology	200	13	1.18%	N/A		N/A
Cowley College	185	14	1.09%	130	45	N/A
City of Winfield	180	15	1.06%	162	10	0.95%
Kansas Veteran's Home	160	16	0.94%	N/A		N/A
Cowley County	156	17	0.92%	257	7	1.51%
City of Arkansas City	140	18	0.82%	158	13	0.93%

Source: Kansas Department of Commerce and respective employer representatives

The City of Winfield is located approximately twelve miles from the city of Arkansas Ciy, Kansas (population approx. 12,000). Both cities are located in Cowley County, and many employers have work forces consisting of residents of both cities. Major employers listed above are for the Arkansas City/Winfield populations

City of Winfield, Kansas

Full-time Equivalent Employees by Function, Last Ten Fiscal Years

Table 17

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government											
Management services	18	19	15	15	14	14	14	13	13	13	13
Legal/court	1	1	1	1	2	2	2	2	2	2	2
Utility billing	6	7	6	6	7	7	7	7	7	7	8
Engineering	9	8	9	8	8	8	8	8	8	7	8
Service and operations cen	6	6	10	10	10	10	9	9	9	8	9
Public safety											
Fire	20	20	20	20	20	20	20	20	20	19	19
Police	29	26	27	29	29	30	28	31	32	31	31
Public works/stormwater	8	8	7	8	7	7	6	6	6	6	6
Cemetery	2	2	2	2	2	2	2	2	2	2	2
Culture and recreation	9	10	10	9	9	9	9	9	9	9	9
Health and welfare					-						
Economic development					-						
Electric	33	31	31	31	31	29	29	28	29	29	28
Gas	13	13	13	13	12	12	11	11	10	9	8
Water	11	11	12	12	12	12	12	13	12	12	11
Refuse	11	11	10	11	11	11	10	10	10	10	9
Wastewater	9	8	8	8	9	8	8	8	8	8	8
Golf course	4	4	4	3	4	4	4	4	4	4	3
Total	189	185	185	186	187	185	179	181	181	176	174

Source: City records

City of Winfield, Kansas

Operating Indicators by Function/Program, Last Ten Fiscal Years

Table 18

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Building permits issued	182	204	192	212	185	254	309	381	328	324
Muncipal court cases	1,349	1,437	1,381	1,409	1,456	1,418	1,141	908	1,066	929
Police										
Class I Offenses	797	750	908	856	1,016	799	630	610	762	615
Domestic Violence/DUI/Drug Arrest	227	254	292	245	330	301	327	385	276	181
Accidents	451	405	423	354	494	395	408	362	311	346
Fire										
Total responses	1,377	1,283	1,441	1,491	1,582	1,530	1,481	1,682	1,723	1,734
Parks and recreation										
Aquatic center attendance	28,276	19,605	21,163	22,344	18,885	18,466	19,931	20,618	20,565	17,613
Annual lake permits	N/A	2,142	2,200	2,285	1,929	1,851	2,315	3,088	2,159	1,548
Cemetery										
Cemetery spaces sold	60	39	73	82	41	61	85	62	77	77
Streets maintenance										
Resurfacing, annual in tons	6,196	1,648	4,460	4,617	4,940	1,343	1,965	1,285	4,660	5,774
Electric utility										
MWH sold, annual	287,160	276,534	276,206	295,879	322,231	306,588	259,957	281,210	277,467	293,650
Peak daily consumption, MWH	63,391	58,596	61,900	66,700	68,700	66,000	59,420	61,132	65,385	66,825
Gas Utility										
MCF sold, annual	704,883	637,359	604,736	546,357	574,357	636,285	576,264	582,502	574,253	469,299
Water Utility										
Gallons sold, annual, in thousands	782,415	752,735	701,406	785,958	691,838	647,747	661,432	688,586	762,729	741,021
Refuse (annual tons, in thousands)										
Refuse collected	8,976	9,150	8,926	8,700	8,375	8,142	7,883	8,170	8,032	7,617
Recyclables collected	1,103	1,106	1,069	1,166	1,185	1,241	1,176	1,174	1,147	1,150
Wastewater Utility										
Sewage treatment, avg daily flow (in thousands of gallons)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500

Sources: City departments

N/A not available from city records

City of Winfield, Kansas

Capital Asset Statistics by Function, Last Ten Fiscal Years

Table 19

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (marked)	17	17	17	17	17	17	17	17	17	17
Fire stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	130	130	130	130	130	130	130	130	130	130
Parks and recreation										
Public park acreage	294	294	294	294	294	294	294	294	294	294
Base/softball diamonds	4	4	5	5	5	5	5	5	5	5
Soccer fields	3	3	6	6	6	6	6	6	6	6
Football fields	1	1	1	1	1	1	1	1	1	1
Electric Utility										
Electric lines (miles) [1]	N/A	N/A	N/A	N/A	114	114	114	114	114	114
Gas Utility										
Gas main lines (miles) [1]	N/A	N/A	N/A	N/A	95	95	95	95	95	95
Water Utility										
Water main lines (miles) [1]	N/A	N/A	N/A	N/A	95	95	95	95	95	95
Fire hydrants [1]	N/A	N/A	N/A	N/A	535	535	535	535	535	535
Storage capacity (thousands)	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
Refuse										
Collection trucks	5	5	5	5	5	5	5	5	5	5
Wastewater										
Sanitary sewer (miles)	N/A	N/A	N/A	N/A	71	71	71	71	71	73
Treatment capacity (thousands, per day)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000

[1] Information on miles of utility infrastructure from prior years not available in reliable consistent form, and not included on this trends page.

N/A not available from city records

CITY OF WINFIELD, KANSAS

SCHEDULE OF INSURANCE COVERAGES

December 31, 2012

Table 16

Insurance Company	Policy Period From To	Type	Coverage	Premium	Coverage Amount	Aggregate	Deductible
Kansas Eastern Region	1/1/2012	Workers'	All City Employees	$174,742.00	$ Statutory	$	
Insurance Trust	12/31/2012	Compensation	Employers' liability limit				
			Bodily Injury by Accident	Each	1,000,000		
			Bodily Injury by Disease	Policy Limit	1,000,000		
			Bodily Injury by Disease	Each Empl.	1,000,000		
	4/1/2012	Property-Replacement	Building/contents, 90% coins.	$172,573.00	73,184,063		2,500
Employers Mututal	4/1/2013	Cost	Lights, 90% coins.	$1,867.00	578,007		2,500
			Island Park Playground	$10,806.00	624,301		2,500
			Golf course (bus. income),	$812.00	200,000		2,500
			50% coins.				
			Golf course Peak Season	$241.00	75,000		
			80% Replacement Cost				
			Extra exp, per location	$3,218.00	250,000		
	4/1/2012	Property-E 12th &	E. 12th Power Plant	$62,203.00	40,440,375		5,000
Employers Mutual	4/1/2013	W.14th Power Plants	W. 14th Power Plant		12,514,104		5,000
			Contents		50,000 ea loc.		
	4/1/2012	Auto liability - all City	Liability and U.M.	$45,997.00	500,000		
Employers Mututal	4/1/2013	rolling stock	Specified perils	$4,019.00			100
			Comprehensive	$21,200.00			250
			Collision	$23,735.00			500
			Hired/borrowed vehicles	$478.00			100/500
			Endorsements	$1,171.00			Varies
Federal Ins. Co - Chubb	9/22/2012	Boiler and machinery	Blanket	$16,461.00	53,054,479		varies
(Extension)	12/1/2012						
Federal Ins. Co - Chubb	12/1/2012	Boiler and machinery	Blanket	$89,132.00	53,054,479		varies
	12/1/2013						
	4/1/2012	General liability	Each occurance limit	$61,228.00	500,000	1,000,000	500
Employers Mututal	4/1/2013		Products completed		500,000	1,000,000	
	4/1/2012	Employee benefits	Benefits	In w/Liability	500,000	500,000	1,000
Employers Mutual	4/1/2013						
	9/22/2012	Public officials liability	Each wrongful act-	$1,320.00	1,000,000	1,000,000	5,000
United States Liability Ins. Co.	9/22/2013		Winfield Housing Auth.				
	4/1/2012	Public officials liability	Linebacker -	$11,686.00	1,000,000	1,000,000	3,000
Employers Mutual	4/1/2013		Directors & Officers				
	4/1/2012	Public officials liability	Linebacker -	$14,169.00	1,000,000	2,000,000	2,500
Employers Mutual	4/1/2013		Law Enforcement				
	5/5/2012	Animal Mortality	Police Dog	$842.00	$10,600.00		
Hartford Fire Insurance Co.	5/5/2013		Canine - Kessy				
	11/1/2012	Public officials bond	City treasurer	$300.00	100,000		
Employers Mutual	11/1/2013						
	4/1/2012	Government Crime	Employee Theft/Blanket	$1,107.00	100,000		500
Employers Mutual	4/1/2013						
	4/17/2012	Flood	Grandstands	$5,435.00	500,000		4,000
American Bankers Ins Co. of Florida	4/17/2013						
	4/1/2012	Contractors equip	Contractors equipment	$12,500.00	2,222,265		1,000
Employers Mutual	4/1/2013	Property	Telephone system	$564.00	94,000		500/5,000
		Property Floater	Golf Cars, Mowers	$3,050.00	277,300		1,000
	4/1/2012	General liability	Rural Fire Dist #7	$250.00	500,000	500,000	1,000
Employers Mutual	4/1/2013	Auto liability		$150.00	500,000	500,000	1,000
		Linebacker		$1,696.00	1,000,000	1,000,000	1,500